State of Arizona Senate Forty-sixth Legislature First Regular Session 2003

CHAPTER 253

### **SENATE BILL 1105**

#### AN ACT

AMENDING SECTIONS 5-222, 11-600, 15-701.01, 15-789 AND 15-1408, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES. BY ADDING SECTION 15-1410; AMENDING SECTION 15-1424, ARIZONA REVISED STATUTES: REPEALING SECTIONS 15-1425 AND 15-1429, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-1443 AND 15-1444, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1445, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 15-1445; AMENDING TITLE 15. CHAPTER 12. ARTICLE 3. ARIZONA REVISED STATUTES. BY ADDING SECTION 15-1446; REPEALING SECTION 15-1447, ARIZONA REVISED STATUTES: AMENDING TITLE 15, CHAPTER 12, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 15-1447; AMENDING SECTIONS 15-1448 AND 15-1449, ARIZONA REVISED STATUTES: AMENDING TITLE 15, CHAPTER 12, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1452; AMENDING SECTIONS 15-1461, 15-1463. 15-1466 AND 15-1466.01. ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1466.02; AMENDING SECTIONS 15-1467, 15-1468, 15-1470 AND 15-1481, ARIZONA REVISED STATUTES: AMENDING TITLE 15. CHAPTER 14. ARTICLE 1. ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1802.01; AMENDING SECTION 15-1805, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1805.01; AMENDING SECTIONS 15-1806, 15-1808 AND 15-1821, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARTICLE 2. ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1821.01; AMENDING SECTIONS 15-1822, 15-1823, 15-1824, 15-1831, 15-1851, 15-1854, 41-1005, 41-2751, 41-2752, 41-2753, 42-5029 AND 49-550, ARIZONA REVISED STATUTES; RELATING TO COMMUNITY COLLEGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

3

4

5 6

7

8

9

10

11

12

13

14

15

16 17

18

19

20

21 22

23 24

25

26

27

28

29

30 31

32

33

34

35

36

37

38

39

40

41

42

43

44

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 5-222, Arizona Revised Statutes, is amended to read:

#### 5-222. Application of this chapter; definition

This chapter does not apply to any amateur boxing contest conducted by or participated in by the following institutions or organizations:

- 1. Any school, community college, college or university or an association or organization composed exclusively of schools, community colleges, colleges or universities when each contestant is a student enrolled in a school, community college, college or university. As used in this section, "school, community college, college or university" means every school, community college, college or university and every other school, community college, college or university determined by the state board of education, state board of directors for community colleges COLLEGE DISTRICTS AS DEFINED IN SECTION 15-1401 or the Arizona board of regents to be maintained primarily for the giving of general academic education.
- 2. A government unit or agency of the United States or this state and its subdivisions.
- 3. A nonprofit interstate association or intrastate association in this state which has standards and regulations for the physical safety of the participants at least equal to the requirements of this chapter, including such bona fide amateur associations or organizations.
  - 4. A fraternal benefit society as defined in section 20–861.
- 5. Any bona fide private school whose primary purpose is instruction in the martial arts provided that the contests held in conjunction with such instruction are amateur.
  - Sec. 2. Section 11-600, Arizona Revised Statutes, is amended to read: 11-600. Burial of indigent deceased; disposal of property
- When an examination has been completed by the county medical examiner or the person performing the duties of a county medical examiner and no other person takes charge of the body of the deceased, the medical examiner shall cause the body to be delivered to the funeral establishment, licensed pursuant to title 32, chapter 12, article 4, closest geographically the place where the body is pronounced dead, for preservation, disinfection and final disposition. The medical examiner or person performing the duties of a county medical examiner may establish geographical areas within the county and a rotation system whereby the bodies are delivered equally in sequence to all licensed funeral establishments in each geographical area. All licensed funeral establishments in any incorporated city or town shall be in the same geographical area. Area boundaries in unincorporated areas shall be drawn so as to approximate equal distances between incorporated cities or towns in which a licensed funeral establishment or establishments exist. Upon request of any licensed funeral establishment, in writing, they shall be removed from participation in the receipt of medical examiner cases until they rescind their request. If there is not sufficient property in the estate of the deceased to pay the necessary

- 1 -

expenses of the burial, the expenses shall be a legal charge against the county. Upon determination of indigency the funeral establishment shall perform the normal county indigent burial, in the manner and for the fee then being paid by the county, or release the body, upon county request, without fee, to the funeral establishment designated by the county for other indigent burials.

- B. Notwithstanding subsection A of this section, the county medical examiner may cause the body to be delivered to a community college under the jurisdiction of the state board of directors for community colleges A COMMUNITY COLLEGE DISTRICT AS DEFINED IN SECTION 15-1401, if the community college has an accredited mortuary science program. On acceptance of the body AND WITH PROPER AUTHORIZATION, the community college mortuary science program shall with proper authorization preserve and disinfect the body, prepare it for final disposition and deliver the body to a licensed funeral establishment pursuant to subsection A of this section for final disposition. For the purposes of this subsection, proper authorization may be provided by the next of kin pursuant to section 36-831, subsection A or the public fiduciary of the county.
- C. Within thirty days after the examination, the medical examiner or person performing the duties of the county medical examiner shall deliver to the county treasurer or the legal representative of the deceased any money or property found upon the body.
- Sec. 3. Section 15-701.01, Arizona Revised Statutes, is amended to read:

# 15-701.01. <u>High school; graduation; requirements; community college or university courses; transfer from private schools; academic credit</u>

- A. The state board of education shall:
- 1. Prescribe a minimum course of study, as defined in section 15-101 and incorporating the academic standards adopted by the state board of education, for the graduation of pupils from high school.
- 2. Prescribe competency requirements for the graduation of pupils from high school incorporating the academic standards in at least the areas of reading, writing, mathematics, science and social studies.
- 3. Develop and adopt competency tests for the graduation of pupils from high school in at least the areas of reading, writing and mathematics and shall establish passing scores for each such test.
  - B. The governing board of a school district shall:
- 1. Prescribe curricula that include the academic standards in the required subject areas pursuant to subsection A, paragraph 1 of this section.
- 2. Prescribe criteria for the graduation of pupils from the high schools in the school district. These criteria shall include accomplishment of the academic standards in at least reading, writing, mathematics, science and social studies, as determined by district assessment. Other criteria may include additional measures of academic achievement and attendance.

- 2 -

3

4

5 6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21 22

23

24

25

26

27

28

29

30 31

32

33

34

35

36

37 38

39 40

41

43

44

46

42 .

45 ...

- C. The governing board may prescribe the course of study and competency requirements for the graduation of pupils from high school which are in addition to or higher than the course of study and competency requirements which the state board prescribes.
- D. The governing board may prescribe competency requirements for the passage of pupils in courses which are required for graduation from high school.
- E. A teacher shall determine whether to pass or fail a pupil in a course in high school as provided in section 15-521, paragraph 3 on the basis of the competency requirements, if any have been prescribed. The governing board, if it reviews the decision of a teacher to pass or fail a pupil in a course in high school as provided in section 15-342, paragraph 11, shall base its decision on the competency requirements, if any have been prescribed.
- Graduation requirements established by the governing board may be met by a pupil who passes courses in the required or elective subjects at a community college or university, if the course is at a higher level than the course taught in the high school attended by the pupil or, if the course is not taught in the high school, the level of the course is equal to or higher than the level of a high school course. The governing board shall determine if the subject matter of the community college or university course is appropriate to the specific requirement the pupil intends it to fulfill and if the level of the community college or university course is less than, equal to or higher than a high school course, and the governing board shall award one-half of a carnegie unit for each three semester hours of credit the pupil earns in an appropriate community college or university course. If a pupil is not satisfied with the decision of the governing board regarding the amount of credit granted or the subjects for which credit is granted, the pupil may request that the state board of education review the decision of the governing board, and the state board shall make the final determination of the amount of credit to be given the pupil and for which subjects. The governing board shall not limit the number of credits required for high school graduation which may be met by taking community college or university For the purposes of this subsection:
- 1. "Community college" means AN EDUCATIONAL INSTITUTION THAT IS OPERATED BY a community college under the jurisdiction of the state board of directors for community colleges DISTRICT AS DEFINED IN SECTION 15-1401 or a postsecondary educational institution under the jurisdiction of an Indian tribe recognized by the United States department of the interior.
- 2. "University" means a university under the jurisdiction of the Arizona board of regents.
- G. A pupil who transfers from a private school shall be provided with a list that indicates those credits that have been accepted and denied by the school district. A pupil may request to take an examination in each particular course in which credit has been denied. The school district shall accept the credit for each particular course in which the pupil takes an examination and receives a passing score on a test designed and evaluated by

- 3 -

5

a teacher in the school district who teaches the subject matter on which the examination is based. In addition to the above requirements, the governing board of a school district may prescribe requirements for the acceptance of the credits of pupils who transfer from a private school.

- H. The state board of education shall adopt rules to allow high school pupils who can demonstrate competency in a particular academic course or subject to obtain academic credit for the course or subject without enrolling in the course or subject.
  - Sec. 4. Section 15-789, Arizona Revised Statutes, is amended to read:

15-789. <u>Contracting and cooperative arrangements for career and technical education and vocational education:</u>

advisory committee

- A. The governing board of a school district may contract with any public body or with any private person for the purpose of providing career and technical education and vocational education. For THE purposes of this subsection, school districts are exempt from section 15-213.
- B. School districts or community college districts may independently or jointly make application for career and technical education and vocational education monies.
- C. School districts and community college districts may provide for joint cooperation among themselves and with each other and with any educational institution eligible to receive career and technical education and vocational education monies as provided in section 15-784 for the purposes of providing career and technical education and vocational education and for the use of each other's facilities and personnel.
- D. School districts, among themselves or with community college districts, may jointly purchase, sell, lease or lease-purchase land, buildings or other real or personal property for the purposes of providing career and technical education and vocational education, including establishing a jointly owned and operated vocational and technical center, if:
- 1. The districts enter into an intergovernmental agreement pursuant to section 11-952.
- 2. The state board of education and, if a community college district is a party to the agreement, the state board of directors for community colleges THE GOVERNING BOARD OF THE COMMUNITY COLLEGE DISTRICT approve the intergovernmental agreement.
- E. If one or more school districts, among themselves or with a community college district, enter into an intergovernmental agreement to establish a jointly owned and operated vocational and technical center, the governing boards of the districts shall establish a joint advisory committee for the vocational and technical center consisting of:
- 1. At least one member of each school district governing board or a designated district staff representative appointed by the respective school district governing board.

- 4 -

- 2. If a community college is a party to the agreement, members of the community college district board or designated district staff representatives appointed by the community college district board equal in number to the total number of persons appointed pursuant to paragraph 1 of this subsection.
- 3. Members engaged in commerce or industry in this state equal in number to the total number of persons appointed pursuant to paragraph 1 of this subsection, jointly appointed by the district governing boards.
- F. A school district and a community college district may jointly accept gifts or grants of monies, land or other real or personal property for the purpose of providing career and technical education and vocational education and may administer or dispose of the property in accordance with the purpose of the gift or grant.
  - Sec. 5. Section 15-1408, Arizona Revised Statutes, is amended to read: 15-1408. Use of community college district resources or employees to influence elections; prohibition
- A. A community college district shall not use its personnel, equipment, materials, buildings or other resources for the purpose of influencing the outcomes of elections. Notwithstanding this section, a community college district may distribute informational reports PAMPHLETS on a proposed bond election as provided in section 35-454. Nothing in this section precludes a community college district from reporting on official actions of the governing board.
- B. Employees of a community college district may not use the authority of their positions to influence the vote or political activities of any subordinate employee.
- C. THIS SECTION DOES NOT PROHIBIT COMMUNITY COLLEGE DISTRICTS FROM PERMITTING STUDENT POLITICAL ORGANIZATIONS OF POLITICAL PARTIES, INCLUDING THOSE THAT ARE RECOGNIZED PURSUANT TO SECTIONS 16-801, 16-802 AND 16-803, TO CONDUCT LAWFUL MEETINGS IN COMMUNITY COLLEGE BUILDINGS OR ON COMMUNITY COLLEGE GROUNDS, EXCEPT AS PRESCRIBED IN SUBSECTION A OF THIS SECTION. EACH STUDENT POLITICAL ORGANIZATION THAT IS ALLOWED TO CONDUCT LAWFUL MEETINGS ON COMMUNITY COLLEGE PROPERTY SHALL HAVE EQUAL ACCESS AS ANY OTHER STUDENT POLITICAL ORGANIZATION THAT IS ALLOWED TO CONDUCT LAWFUL MEETINGS ON COMMUNITY COLLEGE PROPERTY.
- C. D. Nothing contained in this section shall be construed as denying the civil and political liberties of any employee as guaranteed by the United States and Arizona Constitutions.
- Sec. 6. Title 15, chapter 12, article 1, Arizona Revised Statutes, is amended by adding section 15-1410, to read:
  - 15-1410. Credit and noncredit courses
- A. COURSES OFFERED FOR CREDIT SHALL SATISFY AT LEAST ONE OF THE FOLLOWING PURPOSES AND REQUIREMENTS:
  - 1. CREDIT COURSES SHALL SATISFY ONE OR MORE OF THE FOLLOWING PURPOSES:
  - (a) QUALIFY STUDENTS FOR A COMMUNITY COLLEGE CERTIFICATE OR DEGREE.
- (b) BE ACCEPTABLE FOR TRANSFER TO A REGIONALLY ACCREDITED PUBLIC OR PRIVATE COLLEGE OR UNIVERSITY.

- 5 -

3

6

7

8

9

10

11

12 13

14

15

16

17

18 19

20 21

22

23

24

25

26

27

28

29

30

31 32

33

34

35 36

37

38

39

40

41

43

42 .

- (c) PREPARE STUDENTS WITH SKILLS TO SEEK ENTRY LEVEL JOBS IN THE FIELD OF SPECIALIZATION.
- (d) IMPROVE THE STUDENT'S JOB SKILLS OR PREPARE THE STUDENT FOR PROMOTION IN FIELDS OF EMPLOYMENT.
  - (e) PROVIDE SKILLS NECESSARY FOR SUCCESS IN OTHER COLLEGE COURSES.
  - (f) PROVIDE CONTINUING EDUCATION AND LIFELONG LEARNING.
  - 2. A CREDIT COURSE SHALL SATISFY ALL OF THE FOLLOWING REQUIREMENTS:
- (a) A FORMAL COURSE OUTLINE THAT DEFINES THE OBJECTIVES AND CONTENT OF THE COURSE SHALL BE ON FILE AND AVAILABLE FOR AUDIT.
- (b) STUDENTS SHALL BE EVALUATED AND GIVEN A GRADE BASED ON THEIR MASTERY OF THE OBJECTIVES AND CONTENT OF THE COURSE.
- (c) FACULTY TEACHING THE COURSE SHALL MEET THE STANDARDS SET BY THE DISTRICT TO TEACH IN THE SUBJECT AREA OF THE COURSE.
- (d) THE CREDITS AWARDED FOR COMPLETION OF THE COURSE SHALL BE BASED ON THE EFFORT REQUIRED OF, AND THE COMPETENCIES GAINED BY, THE STUDENTS IN ACCORDANCE WITH POLICIES ADOPTED BY THE DISTRICT GOVERNING BOARD.
- (e) BEFORE ENROLLMENT IN THE COURSE, STUDENTS SHALL HAVE ACHIEVED PREREQUISITE COMPETENCIES AS DEFINED IN THE SYLLABUS OR APPROVED COURSE GUIDELINES.
- (f) THE COURSE SHALL HAVE BEEN DEVELOPED USING THE DISTRICT'S FORMAL CURRICULUM REVIEW PROCEDURE.
- (q) THE COURSE SHALL HAVE AN EVALUATION COMPONENT. THE RESULTS OF THIS EVALUATION SHALL BE USED FOR THE PURPOSES OF FORMATIVE AND SUMMATIVE EVALUATION BY THE INSTITUTION.
- (h) A DISTRICT BOARD MAY ADOPT POLICIES THAT ALLOW STUDENTS TO RECEIVE CREDIT THROUGH A VARIETY OF OTHER MEANS, INCLUDING NATIONAL STANDARDIZED EXAMINATIONS AND CREDIT BY EVALUATION OR EXAMINATION.
- B. NONCREDIT COURSES ARE COURSES THAT DO NOT MEET THE CRITERIA ESTABLISHED IN SUBSECTION A. NONCREDIT COURSES SHALL BE THE FINANCIAL RESPONSIBILITY OF THE DISTRICT.
  - Sec. 7. Section 15-1424, Arizona Revised Statutes, is amended to read: 15-1424. General powers of state board
- A. The state board is a body corporate with perpetual succession and shall have the name "state board of directors for community colleges of Arizona".
  - B. The state board may:
  - 1. Adopt a corporate seal.
  - 2. Contract with any person.
  - 3. Sue and be sued.
- C. The state board may hire employees necessary to fulfill the duties of this chapter subject to legislative appropriation or through private donations.
- D. The state board shall compile and summarize data from the community college districts in this state and prepare annual reports specified by law. 45 THE COMMUNITY COLLEGES SHALL COOPERATE IN PROVIDING TIMELY DATA IN RESPONSE

- 6 -

3

4

5 6

7

8

9

10

11

12

13

14 15

16

17

18 19

20

21

22

23

24

25

26 27

28 29

30 31

32

33

34

35

36

37 38

39

40

41 42

43

44

TO REQUESTS FROM THE STATE BOARD PURSUANT TO THIS CHAPTER AND SHALL SUBMIT THE FOLLOWING REPORTS AS PROVIDED BY LAW TO THE STATE BOARD:

- A WORKFORCE DEVELOPMENT PLAN.
- A PRESIDENT OR CHANCELLOR'S REPORT.
- A REPORT ON STUDENTS WHO ARE ENROLLED UNDER THE AGE OF EIGHTEEN. 3.
- AN ARTICULATION REPORT.
- AN ACADEMIC PERFORMANCE REPORT.
- The state board shall facilitate transfer articulation coordination pursuant to section 15-1824.
- F. The state board shall submit a report for the preceding fiscal year to the governor and the joint legislative budget committee. The state board shall provide a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records. report shall list the tuition and fees charged by the community college districts in this state.
- G. The community colleges shall cooperate in providing timely data in response to requests from the state board pursuant to this chapter.
- H. G. The state board does not have any mandatory or discretionary authority that is not specifically prescribed to the state board by the legislature pursuant to this chapter.
- A district board shall determine the location within the district of a community college and purchase, receive, hold, make and take leases of and sell real property for the benefit of this state and for the use of the community colleges under its jurisdiction.
- J. A district board may enter into lease or lease-purchase agreements for real property, including buildings and improvements to the property.
- K. Lease or lease-purchase agreements authorized by subsection H or 1 of this section shall not create an obligation of payment by the district under the terms of the lease or lease-purchase agreement for periods longer than fifteen years.
- t. The amount of outstanding indebtedness due to acquisition of real property by lease-purchase per community college district shall not exceed two million five hundred thousand dollars in any one year and fifteen million dollars in the aggregate. A district board may pledge tuitions, fees, rentals and other charges to any payments due under lease-purchase agreements.
- M. Notwithstanding subsection K of this section, periodic payments and any option payments for acquisition of real property by lease-purchase are restricted to payment from capital outlay funds.
- N. Districts which acquire real property by lease-purchase shall not be entitled to receive funds pursuant to section 15-1463 pertaining to the specific real property acquired by lease-purchase.
- O. Notwithstanding any other provision of law, payments on lease or lease-purchase agreements entered into pursuant to subsection H or I of this 45 section are an obligation of the district within the meaning of the

- 7 -

constitutional limit against indebtedness set out in article IX, section 8, Constitution of Arizona.

- P. If a district acquires real or personal property, whether by purchase, exchange, condemnation, gift or otherwise, the district shall pay to the county treasurer any taxes on the property that were unpaid as of the date of acquisition, including penalties and interest. The lien for unpaid delinquent taxes, penalties and interest on property acquired by the district:
- 1. Is not abated, extinguished, discharged or merged in the title to the property.
  - 2. Is enforceable in the same manner as other delinquent tax liens.
- Q. H. The state board or a district board may accept grants or donations of monies from the United States, or from any of its agencies, departments or officers, or from any persons, corporations, foundations or associations. The state board or a district board shall deposit, pursuant to sections 35-146 and 35-147, the monies into a specific fund or account and the state board or a district board shall administer the monies in accordance with the purpose of the grant or donation with specific rules or restrictions as described or stipulated in the grant or donation. In the case of personal property granted or donated to or for the benefit of a community college district, the state board or a district board shall immediately transfer possession and ownership of the property to the designated district. FOR THE PURPOSES OF THIS SUBSECTION, "PERSON" INCLUDES AN ASSOCIATION, COMPANY, CORPORATION, FIRM, GOVERNMENTAL BODY, ORGANIZATION, PARTNERSHIP OR SOCIETY, AS WELL AS A NATURAL PERSON.
- R. I. The state board may establish a program for the exchange of students between the community colleges under its jurisdiction and colleges and universities located in Sonora, Mexico. Notwithstanding section 15-1425, paragraph 5. The program may provide for in-state tuition for up to fifty Sonora students at the community colleges under its jurisdiction in exchange for similar tuition provisions for up to fifty Arizona students enrolled or seeking enrollment in Sonora colleges and universities. The community colleges may work in conjunction with the Arizona-Mexico commission in the governor's office to coordinate recruitment and admissions activities.
- S. For the purposes of this section, "person" includes an association, a company, a corporation, a firm, a governmental body, an organization, a partnership or a society, as well as a natural person.
  - Sec. 8. Repeal

Sections 15-1425 and 15-1429, Arizona Revised Statutes, are repealed. Sec. 9. Section 15-1443, Arizona Revised Statutes, is amended to read: 15-1443. Meetings: officers: immunity

A. Within twenty days after appointment of the first district board, the county school superintendent, or county school superintendents by joint action where the district consists of more than one county, shall call a meeting of the district board by giving at least ten days' notice by registered or certified mail to each board member. At the meeting the

- 8 -

. 44

district board shall organize by electing a president and a secretary from among its members and may transact any other business relating to the affairs of the district.

- B. Following the first election of members, the district board shall meet and organize in January each year and shall hold regular meetings at such time and place as the rules POLICIES of the board provide. Special meetings may be held at the call of the president or upon a call issued in writing signed by a majority of the members of the DISTRICT board.
- C. Members of the district board are immune from personal liability with respect to all acts done and actions taken in good faith within the scope of their authority during duly constituted regular and special meetings.
- Sec. 10. Section 15-1444, Arizona Revised Statutes, is amended to read:
  - 15-1444. General powers of district governing boards
  - A. Except as otherwise provided, the district board shall:
- 1. Maintain each community college for a period of not less than eight months in each year and, if the funds of the district are sufficient, maintain each community college for a longer period.
- 2. ADOPT POLICIES IN A PUBLIC FORUM TO OFFER PROGRAMS THAT MEET THE EDUCATIONAL NEEDS OF THE POPULATION SERVED BY THE COMMUNITY COLLEGE.
  - 2. 3. Enforce the courses of study prescribed by the district board.
- 3. 4. Visit each community college UNDER ITS JURISDICTION and examine carefully into its management, conditions and needs.
- 4. 5. Exclude from each community college all books, publications or papers of a sectarian, partisan or denominational character intended for use as textbooks.
- 5. 6. Appoint and employ a chancellor or chancellors, vice-chancellors, a president or presidents, vice-presidents, deans, professors, instructors, lecturers, fellows and such other officers and employees it deems necessary. The district board may enter into employment contracts with chancellors, vice-chancellors and presidents for a duration of more than one year but not more than five years.
  - 6. 7. Determine the salaries of persons it appoints and employs.
- 7. 8. Remove any officer or employee if in its judgment the interests of education in this state require the removal.
- 8. 9. Award degrees, certificates and diplomas upon the completion of courses and curriculum as it deems appropriate.
- 9. 10. Appoint OR EMPLOY, if it deems necessary, police officers who shall have the authority and power of peace officers. The police officers who have received a certificate from the Arizona peace officer standards and training board are eligible for membership in and benefits under either title 38, chapter 5, article 2 or the public safety personnel retirement system under title 38, chapter 5, article 4.
- 10. 11. DETERMINE THE LOCATION WITHIN THE DISTRICT OF A COMMUNITY COLLEGE AND PURCHASE, receive, hold, make and take leases of, and sell AND

- 9 -

 CONVEY REAL OR personal property for the benefit of the community colleges under its jurisdiction.

11. 12. Obtain insurance OR BE SELF-INSURED, OR A COMBINATION OF INSURANCE AND SELF-INSURANCE, against loss, to the extent it is determined necessary on community college buildings of the district, whether financed in whole or in part by state monies. The local district shall have an insurable interest in the buildings.

- B. The district board may:
- 1. Administer trusts declared or created for the district and receive by gift or devise and hold in trust or otherwise property wheresoever located, and if not otherwise provided, dispose of the property for the benefit of the district.
- 2. Lease real property, as lessor or as lessee. If a district is the lessee, the lease may contain an option to purchase the property. The district board may adopt policies as are deemed necessary and may delegate in writing to the chancellor or president of the district, or their designees, all or any part of its authority to lease property under this paragraph. A district governing board shall not delegate the authority to execute a lease that exceeds one hundred thousand dollars per year. Any delegation by the district board pursuant to this paragraph may be rescinded in whole or in part at any time by the district board.
  - 3. Sue and be sued.
- 4. Contract. The district board may adopt such policies as are deemed necessary and may delegate in writing to the chancellor or president of the district, or their designees, all or any part of its authority to contract under this paragraph. Any delegation of authority under this paragraph may be rescinded by the district board at any time in whole or in part.
  - 5. Construct, remodel and repair buildings.
- 6. IN CONJUNCTION WITH OTHER DISTRICTS, ESTABLISH POLICIES FOR PROCUREMENT OF GOODS AND SERVICES.
- 6. 7. Provide a plan or plans for employee benefits which may include optional retirement programs pursuant to section 15-1451, subsection A, which allow for participation in a cafeteria plan that meets the requirements of the United States internal revenue code of 1986.
- 8. ACCEPT GRANTS OR DONATIONS OF MONIES FROM THE UNITED STATES, OR FROM ANY OF ITS AGENCIES, DEPARTMENTS OR OFFICERS, OR FROM ANY PERSONS, CORPORATIONS, FOUNDATIONS OR ASSOCIATIONS. A DISTRICT BOARD SHALL DEPOSIT THE MONIES INTO A SPECIFIC FUND OR ACCOUNT AND A DISTRICT BOARD SHALL ADMINISTER THE MONIES IN ACCORDANCE WITH THE PURPOSE OF THE GRANT OR DONATION WITH SPECIFIC POLICIES OR RESTRICTIONS AS DESCRIBED OR STIPULATED IN THE GRANT OR DONATION. IN THE CASE OF PERSONAL PROPERTY GRANTED OR DONATED TO OR FOR THE BENEFIT OF A COMMUNITY COLLEGE DISTRICT, A DISTRICT BOARD SHALL IMMEDIATELY TRANSFER POSSESSION AND OWNERSHIP OF THE PROPERTY TO THE DESIGNATED DISTRICT.
- C. IF A DISTRICT ACQUIRES REAL OR PERSONAL PROPERTY, WHETHER BY PURCHASE, EXCHANGE, CONDEMNATION, GIFT OR OTHERWISE, THE DISTRICT SHALL PAY

- 10 -

TO THE COUNTY TREASURER ANY TAXES ON THE PROPERTY THAT WERE UNPAID AS OF THE DATE OF ACQUISITION, INCLUDING PENALTIES AND INTEREST. THE LIEN FOR UNPAID DELINQUENT TAXES, PENALTIES AND INTEREST ON PROPERTY ACQUIRED BY THE DISTRICT:

- 1. IS NOT ABATED, EXTINGUISHED, DISCHARGED OR MERGED IN THE TITLE TO THE PROPERTY.
  - 2. IS ENFORCEABLE IN THE SAME MANNER AS OTHER DELINQUENT TAX LIENS.
- C. D. From and after December 31, 1988, in a district whose boundaries encompass a vehicle emissions control area as defined in section 49-541 the district board shall require all out of county and out of state students to sign an affidavit at the time of course registration that the student's vehicle meets the requirements of section 49-542. From and after December 31, 1988, the district board on property under its jurisdiction within a vehicle emissions control area shall prohibit the parking of those vehicles which fail to comply with section 49-542.
- D. E. A community college district and a joint technological education district governing board may enter into agreements for the provision of administrative, operational and educational services and facilities.

Sec. 11. Repeal

Section 15-1445, Arizona Revised Statutes, is repealed.

Sec. 12. Title 15, chapter 12, article 3, Arizona Revised Statutes, is amended by adding a new section 15–1445, to read:

15-1445. Administrative powers of district governing boards A DISTRICT BOARD SHALL:

- 1. ADOPT POLICIES FOR THE GOVERNMENT OF THE COMMUNITY COLLEGES UNDER ITS JURISDICTION.
- 2. IN CONJUNCTION WITH OTHER DISTRICT BOARDS, SET STANDARDS FOR THE ESTABLISHMENT, DEVELOPMENT, ADMINISTRATION, OPERATION AND ACCREDITATION OF COMMUNITY COLLEGES IN THE DISTRICT.
- 3. FIX TUITIONS AND GRADUATE THE TUITIONS AND FEES BETWEEN INSTITUTIONS AND BETWEEN RESIDENTS, NONRESIDENTS AND STUDENTS FROM FOREIGN COUNTRIES. THE DISTRICT BOARD MAY WAIVE TUITIONS AND FEES AND GRADUATE TUITIONS AND WAIVERS FOR AN EMPLOYEE OR THE SPOUSE OR DEPENDENT CHILD OF AN EMPLOYEE OF THE DISTRICT, OR FOR A NONRESIDENT STUDENT ENROLLED IN THE DISTRICT IF THE DISTRICT BOARD DETERMINES THE WAIVER IS IN THE BEST INTEREST OF THIS STATE AND THE STUDENT.
- 4. IN CONJUNCTION WITH OTHER DISTRICT BOARDS, SUBMIT TO THE ECONOMIC ESTIMATES COMMISSION BEFORE JANUARY 10 OF EACH YEAR THE ESTIMATED NUMBER OF FULL-TIME EQUIVALENT STUDENTS FOR THE DISTRICT AS PRESCRIBED IN SECTION 15-1466.01.
- 5. ESTABLISH CURRICULUMS AND DESIGNATE COURSES THAT IN ITS JUDGMENT WILL BEST SERVE THE INTERESTS OF THIS STATE.
- 6. DETERMINE ACADEMIC CLASSES THAT QUALIFY AS OPEN ENTRY, OPEN EXIT CLASSES AND PRESCRIBE POLICIES FOR THE OPERATION OF OPEN ENTRY, OPEN EXIT CLASSES.

- 11 -

- 7. IN CONJUNCTION WITH OTHER DISTRICT BOARDS AND THE STATE BOARD FOR VOCATIONAL AND TECHNOLOGICAL EDUCATION, REVIEW AND ADOPT, WITHIN THE SCOPE OF THE STATUTORY DEFINITIONS OF VOCATIONAL AND TECHNOLOGICAL EDUCATION, PROGRAM AND STAFF STANDARDS WITH MODIFICATIONS AS NECESSARY FOR COURSES TAUGHT IN COMMUNITY COLLEGES. THE DISTRICT BOARD SHALL BASE THE STANDARDS ON VOCATIONAL AND TECHNOLOGICAL COMPETENCE.
- 8. IN CONJUNCTION WITH OTHER DISTRICT BOARDS, ESTABLISH QUALIFICATIONS OF THE INSTRUCTIONAL STAFF THAT, AT A MINIMUM, SHALL BE EQUAL TO THOSE REQUIRED TO MEET ACCREDITATION GUIDELINES AND ESTABLISH STANDARDS OF VOCATIONAL AND TECHNOLOGICAL COMPETENCE REQUIRED TO INSTRUCT IN OCCUPATIONAL AS WELL AS ACADEMIC SUBJECTS.
- 9. IN CONJUNCTION WITH OTHER DISTRICT BOARDS, PRESCRIBE GUIDELINES PROVIDING FOR THE TRANSFERABILITY BETWEEN COMMUNITY COLLEGE DISTRICT VOCATIONAL AND TECHNOLOGICAL EDUCATION PROGRAMS AND IN CONJUNCTION WITH THE STATE BOARD FOR VOCATIONAL AND TECHNOLOGICAL EDUCATION PRESCRIBE GUIDELINES FOR THE INTERRELATIONSHIP OF SECONDARY PROGRAMS AND POSTSECONDARY PROGRAMS.
- 10. IN CONJUNCTION WITH OTHER DISTRICT BOARDS, PRESCRIBE THE MANNER IN WHICH THE SELF-EVALUATION OF VOCATIONAL AND TECHNOLOGICAL EDUCATION PROGRAMS IS CONDUCTED AS PROVIDED IN SECTION 15-1452.
- 11. IF REQUESTED BY THE STATE BOARD FOR VOCATIONAL AND TECHNOLOGICAL EDUCATION, ASSIST IN THE PREPARATION, PUBLICATION AND DISTRIBUTION OF AN ANNUAL STATE PLAN AND A COMPREHENSIVE FIVE YEAR STATE PLAN.
- 12. IN CONJUNCTION WITH OTHER DISTRICT BOARDS AND THE STATE BOARD FOR VOCATIONAL AND TECHNOLOGICAL EDUCATION, DEVELOP A PROCESS TO DETERMINE PROGRAM FUNDING PRIORITIES FOR STATE AID PURPOSES. EACH DISTRICT BOARD SHALL SUBMIT STATE AID RECOMMENDATIONS TO THE LEGISLATURE. THE RECOMMENDATIONS SHALL BE BASED ON THE PROCESS AND ON EXISTING COST STUDIES OF VOCATIONAL AND TECHNOLOGICAL EDUCATION IN THIS STATE.
- 13. IN CONJUNCTION WITH OTHER DISTRICT BOARDS, PRESCRIBE QUALIFICATIONS FOR ADMISSION TO COMMUNITY COLLEGES FOR HONORABLY DISCHARGED VETERANS WHO SERVED ON ACTIVE DUTY IN THE ARMED FORCES FOR A MINIMUM OF ONE YEAR AND WHO WERE PREVIOUSLY ENROLLED AT A COMMUNITY COLLEGE OR UNIVERSITY IN THIS STATE. FOR THE PURPOSE OF DETERMINING THE QUALIFICATIONS, THE DISTRICT BOARD MAY NOT CONSIDER PRIOR FAILING GRADES RECEIVED BY THE VETERAN AT A COMMUNITY COLLEGE OR UNIVERSITY IN THIS STATE.
- 14. REQUIRE THE PUBLISHER OF EACH LITERARY AND NONLITERARY TEXTBOOK USED IN THE COMMUNITY COLLEGES OF THE DISTRICT TO FURNISH COMPUTER SOFTWARE IN A STANDARDIZED FORMAT, WHEN SOFTWARE BECOMES AVAILABLE FOR NONLITERARY TEXTBOOKS, TO THE DISTRICT BOARD FROM WHICH BRAILLE VERSIONS OF THE TEXTBOOK MAY BE PRODUCED.
- 15. IDENTIFY STUDENTS SIMULTANEOUSLY ENROLLED IN A COURSE FOR BOTH HIGH SCHOOL AND COLLEGE CREDIT BY USING THE SAME STUDENT LEVEL DATA ELEMENT REQUIRED BY SECTION 15-1042, SUBSECTION A. THE AUDITOR GENERAL SHALL HAVE ACCESS TO THIS INFORMATION WHEN CERTIFYING THE FULL-TIME EQUIVALENT STUDENT ENROLLMENT, PURSUANT TO SECTION 15-1466.01, PARAGRAPH 4.

- 12 -

Sec. 13. Title 15, chapter 12, article 3, Arizona Revised Statutes, is amended by adding section 15–1446, to read:

15-1446. Lease-purchase agreements

- A. A DISTRICT BOARD MAY ENTER INTO LEASE OR LEASE-PURCHASE AGREEMENTS FOR REAL PROPERTY. INCLUDING BUILDINGS AND IMPROVEMENTS TO THE PROPERTY.
- B. LEASE OR LEASE-PURCHASE AGREEMENTS AUTHORIZED BY SUBSECTION A OF THIS SECTION OR SECTION 15-1444, SUBSECTION A, PARAGRAPH 11 SHALL NOT CREATE AN OBLIGATION OF PAYMENT BY THE DISTRICT UNDER THE TERMS OF THE LEASE OR LEASE-PURCHASE AGREEMENT FOR PERIODS LONGER THAN FIFTEEN YEARS.
- C. THE AMOUNT OF OUTSTANDING INDEBTEDNESS DUE TO ACQUISITION OF REAL PROPERTY BY LEASE-PURCHASE FOR EACH DISTRICT SHALL NOT EXCEED TWO MILLION FIVE HUNDRED THOUSAND DOLLARS IN ANY ONE YEAR AND FIFTEEN MILLION DOLLARS IN THE AGGREGATE. A DISTRICT BOARD MAY PLEDGE TUITIONS, FEES, RENTALS AND OTHER CHARGES TO ANY PAYMENTS DUE UNDER LEASE-PURCHASE AGREEMENTS.
- D. NOTWITHSTANDING SUBSECTION C OF THIS SECTION, PERIODIC PAYMENTS AND ANY OPTION PAYMENTS FOR ACQUISITION OF REAL PROPERTY BY LEASE-PURCHASE ARE RESTRICTED TO PAYMENT FROM CAPITAL OUTLAY FUNDS.
- E. DISTRICTS THAT ACQUIRE REAL PROPERTY BY LEASE-PURCHASE ARE NOT ENTITLED TO RECEIVE MONIES PURSUANT TO SECTION 15-1463 PERTAINING TO THE SPECIFIC REAL PROPERTY ACQUIRED BY LEASE-PURCHASE.
- F. NOTWITHSTANDING ANY OTHER LAW, PAYMENTS ON LEASE OR LEASE-PURCHASE AGREEMENTS ENTERED INTO PURSUANT TO SUBSECTION A OF THIS SECTION OR SECTION 15-1444, SUBSECTION A, PARAGRAPH 11 ARE OBLIGATIONS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTIONAL LIMIT AGAINST INDEBTEDNESS SET OUT IN ARTICLE IX, SECTION 8, CONSTITUTION OF ARIZONA.

Sec. 14. Repeal

Section 15-1447, Arizona Revised Statutes, is repealed.

Sec. 15. Title 15, chapter 12, article 3, Arizona Revised Statutes, is amended by adding a new section 15–1447, to read:

15-1447. Reports by president or chancellor

THE PRESIDENT OR CHANCELLOR OF EVERY DISTRICT, AT THE CLOSE OF EACH FISCAL YEAR, BEFORE AND AS A PREREQUISITE TO RECEIVING THE PRESIDENT OR CHANCELLOR'S LAST MONTH'S SALARY, SHALL MAKE AND SUBSCRIBE UNDER OATH A COMPLETE REPORT OF THE DISTRICT AND EACH COLLEGE OR CAMPUS WITHIN THE DISTRICT FOR THE ENTIRE SCHOOL YEAR AND SHALL DELIVER A COPY OF THE REPORT TO THE DISTRICT BOARD. THE REPORT SHALL SHOW THE TOTAL NUMBER OF FULL-TIME EQUIVALENT STUDENTS ENROLLED DURING THE YEAR, THE ACTUAL TOTAL NUMBER OF STUDENTS, THE NUMBER OF TEACHERS REGULARLY EMPLOYED AND THE TOTAL NUMBER OF STUDENTS NOT RESIDING WITHIN THE DISTRICT.

Sec. 16. Section 15-1448, Arizona Revised Statutes, is amended to read:

15-1448. Employment of legal counsel; opinions of counsel

A. If a community college district lies in two or more counties, the county attorney of the largest county in which the community college district to lies as determined by the last federal decennial census is the attorney for the community college district.

- 13 -

- B. The A district board may employ an attorney to represent the district if the county attorney consents. The district board shall state in writing the purpose for which it employs an attorney.
- C. The A district board may employ an attorney without the consent of the county attorney if it deems it advisable.
- D. Compensation for an attorney whom the district board employs as provided in subsections B and C of this section is payable from district monies.
- E. If the A district board employs an attorney without the consent of the county attorney, the county attorney has no duty to represent the district with regard to any matter for which the attorney was employed and is not responsible to the district for any exercise of, or failure to exercise, professional judgment by the attorney in his representation of the district.
- F. The county attorney is not required to assume the duty to represent the district on a matter for which the district board employs an attorney without the consent of the county attorney.
- G. An attorney employed pursuant to subsection  $\frac{A}{A}$  B OR C of this section shall represent the district with the powers of and the duties otherwise performed by the county attorney pursuant to section 11-532, subsection A, paragraph 11.
- H. Any county attorney who issues a legal opinion to a community college district shall promptly transmit a copy of the opinion to the attorney general who shall concur, revise or decline to review the opinion of the county attorney. If the attorney general does not concur, revise, or decline to review the county attorney's opinion within sixty days from its receipt, the opinion shall be deemed affirmed. If the attorney general revises the opinion, the opinion of the attorney general shall prevail.
- Sec. 17. Section 15-1449, Arizona Revised Statutes, is amended to read:
  - 15-1449. Control of vehicles and nonpedestrian devices on community college property by district board:

    sanctions; compliance with emissions inspection; definition
- A. The district board may adopt rules POLICIES for the control of vehicles and nonpedestrian devices on property of the institutions under the district board's jurisdiction with respect to the following only:
  - 1. Maximum speed of vehicles and nonpedestrian devices.
  - 2. Direction of travel.
  - 3. Authorized hours of travel.
  - 4. Required stops in traffic.
  - 5. Place, method and time of parking.
  - 6. Nonparking areas and restricted areas.
- 7. Prohibition of parking in vehicle emissions control areas as defined in section 49-541 of those vehicles which fail to comply with section 49-542.

- 14 -

- 8. Designation of special parking areas for students, faculty, staff and the general public.
- B. The district board may prescribe and collect reasonable fees for specially designated parking areas. The district board shall cause signs and notices to be posted on the property for the regulation of vehicles and nonpedestrian devices.
- C. The rules POLICIES adopted by the district board pursuant to subsection A of this section shall be enforced administratively under procedures approved by the district board for each institution under its jurisdiction. As to students, faculty and staff, these procedures may involve both student and faculty adjudicating bodies if all procedures give the individual notice and an opportunity to be heard concerning the alleged infractions and any sanction to be imposed on the individual. Administrative and disciplinary sanctions may be imposed on students, faculty and staff for a violation of the rules POLICIES including a reasonable monetary penalty, impoundment, regular institutional discipline, withdrawal or suspension of campus parking privileges, encumbrances of records or grades, or both, and oral or written reprimand. Habitual or flagrant disregard of rules POLICIES is a ground for suspension or expulsion from the institution for a student and may be taken into consideration as to faculty and staff in regard to amount of salary and continuation of employment.
- D. Members of the general public who park their vehicles in an unauthorized manner on the property of an institution under the jurisdiction of the district board shall be warned concerning their unauthorized parking, and if they continue to or habitually park in an unauthorized manner, the vehicles parked in an unauthorized manner may be impounded by the institution and a reasonable fee may be exacted for the cost of impoundment and storage.
- E. Members of the general public who violate a rule POLICY adopted by the district board pursuant to subsection A of this section regarding the use of nonpedestrian devices on the property of an institution under the jurisdiction of the district board shall be warned of a violation. A nonpedestrian device may be impounded by the institution, and a reasonable fee may be exacted for the cost of impoundment and storage.
- F. Except as provided in section 41-1092.08, subsection H, a person who has received a final administrative ruling concerning a sanction imposed on the person as a result of a violation of a rule POLICY adopted pursuant to subsection A of this section has the right to have that ruling reviewed by the superior court in the county in which the institution involved is situated pursuant to title 12, chapter 7, article 6.
- G. An institution that is under the jurisdiction of the district board and that is located in a vehicle emissions control area as defined in section 49-541 shall prohibit the issuance of annual permits to park on property under its jurisdiction until the applicant submits an affidavit or shows proof that the applicant's vehicle meets the requirements of section 49-542.
- H. In this section, "nonpedestrian devices" includes bicycles, tricycles, unicycles, skateboards, roller skates and equines.

- 15 -

 Sec. 18. Title 15, chapter 12, article 3, Arizona Revised Statutes, is amended by adding section 15–1452, to read:

# 15-1452. <u>Evaluation of vocational and technological education programs</u>

A DISTRICT BOARD SHALL PROVIDE FOR THE EVALUATION OF VOCATIONAL AND TECHNOLOGICAL EDUCATION PROGRAMS ONCE EVERY FIVE YEARS. THE ASSESSMENT SHALL BE CONDUCTED IN COOPERATION WITH AND WITH ASSISTANCE FROM BUSINESS, INDUSTRY AND LABOR REPRESENTATIVES. THE DISTRICT BOARD MAY CONDUCT A SELF-EVALUATION.

Sec. 19. Section 15-1461, Arizona Revised Statutes, is amended to read:

## 15-1461. <u>District budget; annual estimate; computation; notice;</u> hearing; adoption

- A. Not later than June 5, each community college district established pursuant to this chapter, and any other community college established prior to the enactment of this chapter, shall prepare a proposed budget for the budget year on a form which the auditor general prescribes to be transmitted to the state board with a copy to the district board. The proposed budget shall be accompanied by an estimate of the amount of funds needed for the ensuing year as determined by the district based on the proposed budget prepared by it.
- B. The district shall establish and set forth in the proposed budget the per capita expenditure per full-time equivalent student, which shall be the total operational expenses.
- C. The district shall establish and set forth in the proposed budget the per capita expenditure per full-time equivalent student, which shall be the total capital outlay expenses.
- D. The number of basic full-time equivalent students shall be computed by dividing the total community college credit units by fifteen per semester and shall be based on regular day enrollment. The number of additional short-term full-time equivalent students shall be computed by dividing the total community college credit units from additional short-term classes by thirty. The number of skill center full-time equivalent students shall be computed by dividing the total number of clock hours in approved vocational training programs by six hundred forty.
- E. The governing board of each district shall prepare a notice fixing a time not later than June 20 and designating a public place within each district at which a public hearing and special board meeting shall be held. The governing board shall present the proposed budget for consideration of the residents and the taxpayers of the district at such meeting.
- F. The governing board of each district shall publish a copy of the proposed budget prior to the meeting and, in addition, a notice of the public hearing and special board meeting not later than fifteen days prior to the meeting. The proposed budget shall contain but need not be limited to the following information:
- 1. The estimated cost of all operational, capital outlay and debt service expenses.

- 16 -

2.45

- 2. The percentage of increase or decrease in each budget category as compared to each category of the budget for the current year.
- 3. The total amount of revenues by source that was necessary to meet the district's budget for the current year.
- 4. The total amount of revenues by source that will be necessary to meet the proposed district budget.
  - 5. The total property tax levy of the district for the current year.
- 6. The levy for primary property taxes and the levy for secondary property taxes for the current year.
- 7. The primary property tax rate and secondary property tax rate for the current year.
- 8. The estimated amount of total property tax levies for the district and the primary property tax and secondary property tax components thereof necessary for the budget year.
- 9. The maximum amount of primary property tax dollars which the district is permitted to levy pursuant to title 42, chapter 17, article 2 for the budget year.
- 10. The amount of secondary property tax dollars which the district will levy for the budget year.
- 11. The amount of monies received from primary property taxation in the previous fiscal year in excess of the maximum allowable amount as calculated pursuant to title 42, chapter 17, article 2.
- G. The governing board shall publish the proposed budget and the notice of the public hearing and special board meeting a second time not later than five days prior to the meeting. Publication shall be made in a newspaper of general circulation within the district. The cost of publication shall be a charge against the district. The publisher's affidavit of publication shall be filed by the governing board with the state board within thirty days after publication. If a truth in taxation notice and hearing is required under section 15-1461.01, the district may combine the notice and hearing under this section with the truth in taxation notice and hearing.
- H. If the district fails to publish the proposed budget, notice and statements required by subsection F of this section, the board of supervisors shall levy on the property in the district the lesser of the amount of primary property taxes which were levied for the district in the current year or the amount which would be produced by the primary property tax rate which was levied for the district in the current year.
- I. At the time and place fixed in the notice, the members of the governing board shall hold the public hearing and present the proposed budget to the persons attending the hearing. Upon request of any person, the governing board shall explain the budget and any resident or taxpayer of the district may protest the inclusion of any item in the proposed budget.
- J. Immediately following the public hearing the chairman shall call to order the special board meeting for the purpose of adopting the budget. The governing board shall adopt the budget making deductions from the budget

- 17 -

⇒ 45

as it sees fit but making no additions to the budget and shall enter the budget as adopted in its minutes. The governing board shall not adopt the budget if the property tax requirements of the budget, excluding amounts budgeted and levied for secondary property taxes, exceed the amounts authorized pursuant to title 42, chapter 17, article 2.

Sec. 20. Section 15-1463, Arizona Revised Statutes, is amended to read:

### 15-1463. <u>State contribution for capital outlay for initial or additional campus</u>

- A. This state, by legislative appropriation, shall pay to the district a sum equal to fifty per cent of the total cost for capital outlay for an initial campus in a newly formed district or in a county entering into an intergovernmental agreement for providing extension courses pursuant to section 15-1470, not to exceed one million dollars.
- 8. If a district board in an existing district determines the need for an additional campus or campuses, it shall submit a request to the joint legislative budget committee for review. This state, by legislative appropriation, shall pay a sum equal to fifty per cent of the total cost for capital outlay for each approved campus within the district, but not to exceed one million dollars at any one campus, including the purchase, erection, remodeling or completion of buildings and the purchase of equipment and facilities for educational or auxiliary purposes of the community college, excluding the cost of any land granted to the community college district and dormitories erected for the use of students or faculty members.
- Sec. 21. Section 15-1466, Arizona Revised Statutes, is amended to read:

#### 15-1466. State aid: eligibility: limitations

- A. Subject to legislative appropriation, the legislature shall determine and appropriate the amount of state aid each fiscal year for any district possessing the qualifications as prescribed in this chapter.
- B. The state shall determine the amount of state aid, as prescribed in subsection F of this section, appropriated to each district for the fiscal year prior to the fiscal year for which the state aid is being calculated.
- C. The state shall adjust the amount of state aid appropriated to each district as determined in subsection B of this section by the growth rate referenced by section 15-901, subsection B, paragraph 2. This amount shall be appropriated to the district except as provided in subsection D of this section.
- D. In addition to the state aid appropriated in subsection C of this section, each district qualified under this chapter shall have its state aid adjusted in an amount that reflects the growth in the full-time equivalent student count of the district calculated as follows:
- 1. Calculate the growth in the actual, audited full-time equivalent student count between the second and third most recent fiscal years prior to the fiscal year for which the state aid is being calculated for each district.

- 18 -

- 2. Calculate the average appropriation per full-time equivalent student for all districts by dividing the amount determined in subsection B of this section by the actual, audited full-time equivalent student count for all districts in the most recent fiscal year.
- 3. Multiply the amount calculated in paragraph 1 of this subsection by the average appropriation calculated in paragraph 2 of this subsection. This amount shall be appropriated to the district for growth.
- E. State aid appropriated to each district shall be allocated and paid in accordance with subsection C of this section before any funding is allocated and paid in accordance with subsection D of this section.
- F. The total amount appropriated to each district each fiscal year in accordance with subsections C and D of this section shall serve as the amount of state aid to be adjusted in the next fiscal year.
  - G. To be eligible for state aid, a district shall:
  - 1. Be equipped with suitable buildings, equipment and campus.
- 2. Have three hundred twenty full-time equivalent students attending in the district.
- 3. Have complied with all of the requirements of the district board including budgets and curriculum.
- H. Notwithstanding subsection E of this section, the legislature may allocate funding for growth in the full-time equivalent student count prior to or in combination with funding of the growth rate.
- I. The total amount of state monies that may be spent in any fiscal year by a community college district for operating state aid shall not exceed the amount appropriated or authorized by section 35-173 for that purpose. Notwithstanding section 15-1444, this section shall not be construed to impose a duty on an officer, agent or employee of this state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the expenditure authorized by legislative appropriation for that specific purpose, including any duties prescribed in an employment contract entered into pursuant to section 15-1444, subsection A, paragraph 5-6.
- J. In addition to the formula to determine the state aid appropriations prescribed in this section, the state may pay additional amounts for state aid to a community college district based on requests included in the district's budget request.
- K. THIS SECTION DOES NOT ENTITLE A COMMUNITY COLLEGE OPERATED BY A QUALIFIED INDIAN TRIBE TO STATE AID FOR COMMUNITY COLLEGES PURSUANT TO THIS CHAPTER.
- Sec. 22. Section 15-1466.01, Arizona Revised Statutes, is amended to read:

### 15-1466.01. <u>Calculation of full-time equivalent student</u> enrollment

In determining state aid under sections 15-1464 and 15-1466 the number of full-time equivalent students shall be calculated in the following manner:

- 19 -

3

4

5 6

7 8

9 10

11

12

13

14

15 16

17

18

19

20

21 22

23 24

25

26

27 28

29

30 31

32

33

34

35

36

37

38 39

40

41 42

43

- 1. For the basic actual full-time equivalent student enrollment, add the number of full-time equivalent students enrolled as of forty-five days after classes begin in the fall semester to the number of full-time equivalent students enrolled as of forty-five days after classes begin in the spring semester, not including additional short-term classes, and divide the sum by two.
- 2. For the additional short-term and open entry, open exit full-time equivalent student enrollments:
- (a) Determine the total number of credit units for students enrolled in additional short-term and open entry, open exit classes for the fiscal year.
- (b) Determine the total number of credit units for students who have completed the additional short-term and open entry, open exit classes for the fiscal year. Any student who has not completed the class by June 30 of each fiscal year shall not be eligible to be counted for state aid purposes until the following year.
  - (c) Add the amounts in subdivisions (a) and (b).
  - (d) Divide the amount determined in subdivision (c) by two.
  - (e) Divide the quotient obtained in subdivision (d) by thirty.
- (f) The result in subdivision (e) is the additional short-term and open entry, open exit full-time equivalent student enrollments for the fiscal year.
- 3. For the skill center and adult basic education courses full-time equivalent student enrollment, divide by six hundred forty the total class attended clock hours of persons who complete vocational training. Any student who does not complete vocational training programs by June 30 of each fiscal year shall not be eligible to be counted for state aid purposes until the following year.
- 4. The total of basic actual, additional short-term and open entry, open exit and skill center full-time equivalent student enrollment shall be the basis of providing state aid. The basic actual full-time equivalent student enrollment claim of each district shall be certified by the auditor general immediately following the completion of the forty-fifth day of the second semester. Beginning with the audit for the year ending June 30, 2003, the auditor general shall certify AUDIT separately any full-time equivalent student enrollment where a student is enrolled in a course for both high school and college credit simultaneously, except for credit received at a private college or a college owned, operated or chartered by an Indian tribe, taking into consideration any relevant law, regulation or rule. full-time equivalent student enrollment claim of REPORTED BY each district for all BASIC ACTUAL, additional short-term classes, AND open entry, open exit classes and skill center vocational training programs AND ADULT BASIC EDUCATION COURSES shall be certified AUDITED annually by the auditor general.

- 20 -

Sec. 23. Title 15, chapter 12, article 4, Arizona Revised Statutes, is amended by adding section 15–1466.02, to read:

15-1466.02. <u>Record keeping requirements for full-time</u> equivalent student enrollment

- A. ON OR BEFORE JULY 21 EACH YEAR, EACH COMMUNITY COLLEGE DISTRICT SHALL:
- 1. PROVIDE A CERTIFIED REPORT TO THE AUDITOR GENERAL OF THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS CALCULATED BY THE DISTRICT PURSUANT TO SECTION 15-1466.01.
- 2. SEPARATELY CALCULATE AND REPORT TO THE AUDITOR GENERAL ANY FULL-TIME EQUIVALENT STUDENT ENROLLMENT WHERE A STUDENT IS ENROLLED IN A COURSE FOR BOTH HIGH SCHOOL AND COLLEGE CREDIT SIMULTANEOUSLY.
- B. EACH COMMUNITY COLLEGE DISTRICT SHALL SUBMIT TO THE AUDITOR GENERAL A SUMMARY OF ITS FULL-TIME EQUIVALENT STUDENT ENROLLMENT ACCOUNTING POLICIES AND PROCEDURES, COMPILATION PROCEDURES AND SOURCE RECORDS USED FOR CALCULATING FULL-TIME EQUIVALENT STUDENT ENROLLMENT.
- C. BASIC ACTUAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT SHALL BE COUNTED ON THE FORTY-FIFTH DAY AFTER THE BASIC ACTUAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT CLASSES BEGIN FOR THE FALL AND SPRING SEMESTERS, AS PUBLISHED IN THE COLLEGE CATALOGS. CLASS ROSTERS THAT REFLECT ENROLLMENT AS OF THE FORTY-FIFTH DAY SHALL BE PROVIDED BY THE REGISTRAR'S OFFICE TO EACH PROFESSOR OR INSTRUCTOR FOR EVERY CLASS SECTION. THE CLASS ROSTER SHALL INDICATE THE COURSE NUMBER, COURSE TITLE, TIME, INSTRUCTOR NAME AND STUDENTS EACH PROFESSOR OR INSTRUCTOR IS REQUIRED TO REVIEW THE CLASS ROSTER AND MAKE ADDITIONS OR DELETIONS AS NECESSARY. ON THE FORTY-FIFTH DAY CLASS ROSTERS, EACH PROFESSOR OR INSTRUCTOR SHALL INDICATE AS WITHDRAWN EACH STUDENT WHO HAS NOT BEEN ATTENDING CLASS, EVEN IF THE STUDENT HAS NOT FORMALLY WITHDRAWN FROM THE COURSE, AND THAT STUDENT SHALL NOT BE COUNTED FOR STATE AID PURPOSES. THE OFFICIAL FORTY-FIFTH DAY ROSTERS SHALL INCLUDE A MANUAL SIGNATURE AND DATE OR AN ELECTRONIC AUTHORIZATION AND DATE BY THE PROFESSOR OR INSTRUCTOR AND SHALL INCLUDE THE FOLLOWING CERTIFICATION:

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED IN THIS CLASS ROSTER ACCURATELY REFLECTS THOSE STUDENTS WHO ARE ENROLLED AND PARTICIPATING.

STUDENTS WHO HAVE WITHDRAWN OR WHO HAVE BEEN WITHDRAWN FROM CLASSES AS OF THE FORTY-FIFTH DAY SHALL NOT BE COUNTED FOR STATE AID PURPOSES. A RECORD SHALL BE MAINTAINED THAT IDENTIFIES STUDENT WITHDRAWALS BY DATE OF WITHDRAWAL, AS OF THE FORTY-FIFTH DAY AND AFTER THE FORTY-FIFTH DAY FOR THE ENTIRE SEMESTER.

D. ADDITIONAL SHORT-TERM AND OPEN ENTRY, OPEN EXIT FULL-TIME EQUIVALENT STUDENT ENROLLMENT MUST BE COUNTED AS OF JUNE 30 OF EACH YEAR. REGISTRATION RECORDS SHALL BE MAINTAINED TO SUPPORT THE NUMBER OF CREDIT HOURS FOR ADDITIONAL SHORT-TERM AND OPEN ENTRY, OPEN EXIT CLASSES IN WHICH STUDENTS ARE ENROLLED DURING THE FISCAL YEAR. FINAL GRADE ROSTERS SHALL BE PREPARED THAT PRESENT INITIAL ENROLLEES, THOSE STUDENTS WHO WITHDREW FROM THE CLASS AND THOSE STUDENTS WHO COMPLETED THE CLASS. THE FINAL GRADE ROSTERS SHALL INCLUDE A MANUAL SIGNATURE OR ELECTRONIC AUTHORIZATION BY THE PROFESSOR

- 21 -

OR INSTRUCTOR AND SHALL BE USED TO SUPPORT THE NUMBER OF CREDIT HOURS CLAIMED FOR FULL-TIME EQUIVALENT STUDENT ENROLLMENT. FOR BOTH ADDITIONAL SHORT-TERM AND OPEN ENTRY, OPEN EXIT CLASSES, ONLY STUDENTS WHO HAVE RECEIVED A GRADE BY JUNE 30 MAY BE COUNTED AS COMPLETED FOR STATE AID PURPOSES AND STUDENTS WITH A GRADE OF INCOMPLETE SHALL NOT BE COUNTED.

- E. SKILL CENTER AND ADULT BASIC EDUCATION FULL-TIME EQUIVALENT STUDENT ENROLLMENT RECORDS SHALL BE MAINTAINED TO SUPPORT THE ACTUAL CLOCK HOURS ATTENDED BY STUDENTS IN SKILL CENTER AND ADULT BASIC EDUCATION COURSES.
- F. THOSE STUDENTS WHO ARE SIMULTANEOUSLY ENROLLED IN A COURSE FOR BOTH HIGH SCHOOL AND COLLEGE CREDIT AND THE COURSES, INCLUDING SECTION NUMBERS, THAT THE STUDENTS ATTEND SHALL BE SPECIFICALLY IDENTIFIED IN THE DISTRICT'S FULL-TIME EQUIVALENT STUDENT ENROLLMENT RECORDS.
- G. THE COMMUNITY COLLEGE DISTRICT'S RECORDS USED TO CALCULATE FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNTS SHALL BE PROVIDED TO THE AUDITOR GENERAL IN AN ELECTRONIC FORMAT PRESCRIBED BY THE AUDITOR GENERAL.
- Sec. 24. Section 15-1467, Arizona Revised Statutes, is amended to read:

### 15-1467. <u>State aid appropriations; disbursement procedure;</u> district fund

- A. Appropriations for state aid to <del>community colleges</del> DISTRICTS shall be distributed to each community college district in accordance with section 15-1466.
- B. On July 15, October 15, January 15 and April 15, a district board EACH DISTRICT shall present to the department of administration a claim for one-fourth of the annual amount appropriated to the district. The department of administration shall draw a warrant in payment of the claim and transmit the warrant to the state treasurer who shall disburse the funds to each district for the support and maintenance of the district, to be expended as provided by law. If no community college exists, the department shall establish a fund for new future community college districts to be disbursed as needed.
- C. Notwithstanding subsection B of this section, a community college district may request the state treasurer to disburse the monies to the local government investment pool for deposit into the district's account as established in section 35-326.
- Sec. 25. Section 15-1468, Arizona Revised Statutes, is amended to read:

#### 15-1468. Equalization aid for community college districts

- A. Subject to legislative appropriation, any district that by virtue of section 15-1402 is a part of the state community college system but that has less than the amount of primary assessed valuation prescribed in section 15-1402 shall be paid by this state an amount equal to the following:
- 1. Determine The difference between the prior year's actual primary assessed valuation of the district and the amount of primary assessed valuation prescribed in section 15-1402.

- 22 -

- 2. Determine The actual prior year's primary property tax rate for the district.
- 3. Multiply The difference determined in paragraph 1 of this subsection MULTIPLIED by the lesser of the tax rate determined in paragraph 2 of this subsection or one dollar and thirty-seven cents.
- B. The equalization aid provided for in subsection A of this section shall be used for the same purposes specified in section 15-1462 and shall be apportioned to any qualifying district pursuant to section 15-1467.
- C. THIS SECTION DOES NOT APPLY TO PROVISIONAL COMMUNITY COLLEGE DISTRICTS AS PRESCRIBED IN SECTION 15-1409.
- Sec. 26. Section 15-1470, Arizona Revised Statutes, is amended to read:

#### 15-1470. Community college courses; intergovernmental agreement

- A. DISTRICT may offer extension CREDIT AND NONCREDIT courses in counties without an organized community college district AND SERVICES OUTSIDE OF THE DISTRICT IN OTHER DISTRICTS WITHIN THIS STATE.
- B. A DISTRICT MAY OFFER CREDIT AND NONCREDIT COURSES AND SERVICES OUTSIDE OF THE DISTRICT IN COUNTIES WITHIN THIS STATE WITHOUT AN ORGANIZED DISTRICT.
- C. A DISTRICT MAY OFFER CREDIT AND NONCREDIT COURSES AND SERVICES OUTSIDE OF THIS STATE. A DISTRICT IS NOT ENTITLED TO STATE AID PAYMENTS FOR STUDENTS WHO ARE PROVIDED COURSES AND SERVICES OUTSIDE OF THIS STATE.
- D. BEFORE A DISTRICT MAY OFFER COURSES PURSUANT TO SUBSECTION A, THE DISTRICT SHALL ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE DISTRICT OF THE COUNTY IN WHICH THE COURSES WILL BE HELD.
- 8. E. Before a district may offer extension courses pursuant to this section SUBSECTION B, the district shall enter into an intergovernmental agreement with the board of supervisors of the county in which the extension courses will be held. The district and the county shall negotiate the amount of reimbursement payable by the county to the district for extension courses conducted within the county no later than July 1.
- C. F. The intergovernmental agreement entered into as provided in this section SUBSECTION E may not require or permit the county to reimburse the district for noncredit classes.
- G. THE INTERGOVERNMENTAL AGREEMENT ENTERED INTO AS PROVIDED IN THIS SECTION SHALL INCLUDE PROVISIONS FOR AN ALTERNATIVE DISPUTE RESOLUTION.
- Sec. 27. Section 15-1481, Arizona Revised Statutes, is amended to read:

#### 15-1481. Definitions

In this article, unless the context otherwise requires:

- 1. "Acquire" includes purchase, erect, build, construct, reconstruct, repair, replace, extend, better, furnish, equip, develop, improve and embellish.
- 2. "Board" means the governing board of a community college district or its successors, but does not include provisional community college districts as prescribed in section 15-1409.

- 23 -

- 3. "Bonds" means any bonds issued pursuant to this article.
- 4. "Federal agency" means the housing and home finance agency, the United States of America or any of its officers or agencies designated or created to make grants or loans of monies for public construction work.
- 5. "Institution" means any community college district heretofore or hereafter THAT IS organized in this state, in which an election has been held approving the organization or integration of the district as part of the state community college system and for which a plan of organization or integration into the state system of community colleges has been prepared and approved by the legislature, as provided in articles 1 through 4 of this chapter PURSUANT TO SECTION 15-1402, BUT DOES NOT INCLUDE PROVISIONAL COMMUNITY COLLEGE DISTRICTS AS PRESCRIBED IN SECTION 15-1409.
- 6. "Project" means one or more classrooms, student or faculty residence halls, dormitories, dining halls, student union buildings, field houses, stadia and other revenue producing buildings located at the institution, together with sites for the buildings, and including equipment, furnishings, heating, lighting and other service facilities in connection with the buildings.
- Sec. 28. Title 15, chapter 14, article 1, Arizona Revised Statutes, is amended by adding section 15–1802.01, to read:

## 15-1802.01. <u>County residency status: community college</u> <u>districts</u>

- A. EACH COMMUNITY COLLEGE DISTRICT SHALL ADOPT POLICIES REGARDING DOMICILE REQUIREMENTS THAT INCLUDE. AT A MINIMUM, THE FOLLOWING:
- 1. EACH STUDENT SHALL HAVE THE QUESTION OF DOMICILE DETERMINED BEFORE THE TIME OF REGISTRATION AND PAYMENT OF FEES. IT IS THE RESPONSIBILITY OF THE STUDENT TO REGISTER UNDER THE CORRECT DOMICILE DETERMINATION.
- 2. ENFORCEMENT OF DOMICILE REQUIREMENTS SHALL BE THE RESPONSIBILITY OF THE CHIEF EXECUTIVE OFFICER OF EACH COMMUNITY COLLEGE DISTRICT.
- 3. THE CHIEF EXECUTIVE OFFICER OF EACH COMMUNITY COLLEGE DISTRICT SHALL DESIGNATE A REPRESENTATIVE AT EACH COLLEGE OR CAMPUS WHO IS RESPONSIBLE FOR DOCUMENTS AND WHO IS QUALIFIED TO ADMINISTER OATHS AS DEFINED IN SECTION 41-311 IN CONNECTION WITH STATEMENTS AND TESTIMONY RELATIVE TO STUDENT DOMICILE STATUS FOR TUITION PURPOSES. AFFIDAVITS SHALL BE SUBMITTED ON A FORM PRESCRIBED BY THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES.
- 4. IN ADDITION TO THE REQUIREMENTS PRESCRIBED IN SECTION 15-1802, SUBSECTION G, ANY OF THE FOLLOWING MAY BE USED IN DETERMINING A STUDENT'S DOMICILE:
  - (a) AN INCOME TAX RETURN.
  - (b) THE PLACE OF GRADUATION FROM HIGH SCHOOL.
  - (c) THE SOURCE OF FINANCIAL SUPPORT.
  - (d) DEPENDENCY AS INDICATED ON A FEDERAL INCOME TAX RETURN.
  - (e) OWNERSHIP OF REAL PROPERTY.
    - (f) A NOTARIZED STATEMENT OF A LANDLORD OR EMPLOYER.
    - (g) BANK ACCOUNTS.

- 24 -

3

5

7

8

9

10

11

12

13

14 15

16

17

18

19 20

21

22 23

24

25

26

27

28 29

30

31

32

33

34

35 36

37

38

39

40

41 42

43

44

45

- B. EACH COMMUNITY COLLEGE DISTRICT SHALL ADOPT POLICIES REGARDING CLASSIFICATION PROCEDURES FOR A STUDENT FOR NONRESIDENT OR RESIDENT TUITION PURPOSES THAT INCLUDE, AT A MINIMUM, THE FOLLOWING:
- 1. IN DETERMINING A STUDENT'S CLASSIFICATION, THE COLLEGE MAY CONSIDER ALL EVIDENCE, WRITTEN OR ORAL, PRESENTED BY THE STUDENT AND ANY OTHER INFORMATION RECEIVED FROM ANY SOURCE THAT IS RELEVANT TO DETERMINING CLASSIFICATION. THE COLLEGE MAY REQUEST WRITTEN SWORN STATEMENTS OR SWORN TESTIMONY OF THE STUDENT.
- THE DECISION AS TO CLASSIFICATION SHALL BE MADE BY THE REPRESENTATIVE DESIGNATED PURSUANT TO SUBSECTION A, PARAGRAPH 3 OF THIS IN MAKING THE DECISION THE REPRESENTATIVE MAY CONSULT WITH OTHER COLLEGE OFFICIALS. DECISIONS BY THE REPRESENTATIVE SHALL BE MADE AS SOON AS POSSIBLE AFTER ALL RELEVANT INFORMATION IS ACQUIRED.
- 3. IF THE REPRESENTATIVE CLASSIFIES THE STUDENT AS A NONRESIDENT FOR TUITION PURPOSES. THE DECISION SHALL BE COMMUNICATED TO THE STUDENT BY MAIL TO THE MOST RECENT ADDRESS FURNISHED TO THE COLLEGE. IF THE STUDENT IS CLASSIFIED AS A NONRESIDENT FOR TUITION PURPOSES, THE STUDENT MUST MAKE SATISFACTORY PROVISION FOR PAYMENT OF NONRESIDENT TUITION AND OTHER CHARGES.
- C. EACH COMMUNITY COLLEGE DISTRICT SHALL ADOPT A REVIEW AND APPEALS PROCESS FOR STUDENTS CONTESTING A DOMICILE DECISION BY THE COLLEGE.
- D. AN INDIVIDUAL DOMICILED IN THIS STATE, BUT NOT IN A COMMUNITY COLLEGE DISTRICT, SHALL BE REQUIRED TO SIGN A NOTARIZED STATEMENT AS TO COUNTY RESIDENCY STATING THAT THE INDIVIDUAL HAS RESIDED IN THE COUNTY FOR AT LEAST FIFTY DAYS BEFORE THE FIRST DAY OF CLASSES.
- Sec. 29. Section 15-1805, Arizona Revised Statutes, is amended to read:

#### 15-1805. Student status regulations

- A. The Arizona board of regents and the state board of directors for community colleges shall adopt guidelines applicable to all institutions under their respective jurisdictions JURISDICTION that will insure ENSURE uniform criteria to aid the institutions in determining the tuition status of any student and that will establish uniform procedures for review of that status.
- COMMUNITY COLLEGE DISTRICTS SHALL ADOPT POLICIES APPLICABLE TO ALL INSTITUTIONS UNDER THEIR JURISDICTION THAT WILL ENSURE UNIFORM CRITERIA TO AID THE INSTITUTIONS IN DETERMINING THE TUITION STATUS OF ANY STUDENT AND THAT WILL ESTABLISH UNIFORM PROCEDURES FOR REVIEW OF THAT STATUS.
- Sec. 30. Title 15, chapter 14, article 1, Arizona Revised Statutes, is amended by adding section 15-1805.01, to read:
  - 15-1805.01. Admissions: enrollments; community colleges
- ADMISSIONS TO THE COMMUNITY COLLEGES IN THIS STATE MAY BE GRANTED TO ANY PERSON WHO MEETS ANY ONE OF THE FOLLOWING CRITERIA:
- IS A GRADUATE OF A HIGH SCHOOL THAT IS ACCREDITED BY A REGIONAL ACCREDITING ASSOCIATION AS DEFINED BY THE UNITED STATES OFFICE OF EDUCATION OR APPROVED BY A STATE BOARD OF EDUCATION OR OTHER APPROPRIATE STATE 46 EDUCATIONAL AGENCY.

- 25 -

5

- 2. HAS A HIGH SCHOOL CERTIFICATE OF EQUIVALENCY.
- 3. IS EIGHTEEN YEARS OF AGE OR OLDER AND DEMONSTRATES EVIDENCE OF POTENTIAL SUCCESS IN THE COMMUNITY COLLEGE.
- 4. IS A TRANSFER STUDENT IN GOOD STANDING FROM ANOTHER COLLEGE OR UNIVERSITY.
- B. EACH COMMUNITY COLLEGE DISTRICT SHALL ADOPT POLICIES REGARDING THE ADMISSION OF STUDENTS UNDER EIGHTEEN YEARS OF AGE THAT INCLUDE, AT A MINIMUM, THE FOLLOWING REQUIREMENTS:
- 1. ADMISSION TO THE COMMUNITY COLLEGES IN THIS STATE SHALL BE GRANTED TO ANY STUDENT WHO IS UNDER EIGHTEEN YEARS OF AGE AND WHO ACHIEVES A COMPOSITE SCORE OF 930 OR MORE ON THE SCHOLASTIC APTITUDE TEST OR A COMPOSITE SCORE OF TWENTY-TWO OR MORE ON THE AMERICAN COLLEGE TEST.
- 2. A COMMUNITY COLLEGE MAY LIMIT THE NUMBER OF SEMESTER HOURS IN WHICH THE STUDENT MAY ENROLL TO NOT MORE THAN SIX CREDIT HOURS.
- C. STUDENTS MAY BE ADMITTED ON AN INDIVIDUAL BASIS WITH THE APPROVAL OF COLLEGE OFFICIALS IF THE STUDENT MEETS THE ESTABLISHED REQUIREMENTS OF THE COURSES FOR WHICH THE STUDENT ENROLLS AND THE COLLEGE OFFICIALS DETERMINE THAT THE STUDENT'S ADMISSION IS IN THE BEST INTEREST OF THE STUDENT.
- Sec. 31. Section 15-1806, Arizona Revised Statutes, is amended to read:

# 15-1806. <u>Testimony concerning student status: designation of persons to administer oaths</u>

The Arizona board of regents and the state board of directors for community colleges EACH COMMUNITY COLLEGE DISTRICT shall designate a person employed at each institution under their respective jurisdictions to administer oaths or affirmations in connection with the taking of testimony relative to student status for tuition purposes.

Sec. 32. Section 15-1808, Arizona Revised Statutes, is amended to read:

# 15-1808. <u>Tuition waiver of child or spouse of peace officer.</u> <u>fire fighter or emergency paramedic killed in the line of duty; definitions</u>

A. The board of regents, after verification by the Arizona peace officers memorial board or by the Arizona fire fighters and emergency paramedics memorial board that a person is a child or a spouse of a peace officer, fire fighter or emergency paramedic who was a resident of the state of Arizona and who was killed in the line of duty or who died from injuries suffered in the line of duty while traveling to or from duty, shall provide the person who qualifies under subsection B OF THIS SECTION and WHO otherwise meets the qualifications for admission with a tuition waiver scholarship at any university under the jurisdiction of the board. The state board of directors for community colleges A DISTRICT AS DEFINED IN SECTION 15-1401, after verification by the Arizona peace officers memorial board or by the Arizona fire fighters and emergency paramedics memorial board that a person is the child or the spouse of a peace officer, fire fighter or emergency paramedic who was a resident of Arizona and who was killed in the line of

- 26 -

duty or who died from injuries suffered in the line of duty while traveling to or from duty shall provide the person who qualifies under subsection B OF THIS SECTION and WHO otherwise meets the qualifications for admission with a tuition waiver scholarship at any community college under the jurisdiction of the board.

- B. The tuition waiver scholarships shall be limited to children who are thirty years of age or younger or a spouse who has not remarried and shall be limited for a spouse or for any one child to no more than sixty-four credit hours at Arizona community colleges and a total number of credits including any transfer credits from an Arizona community college equal to the number of credits required for a baccalaureate degree at Arizona universities for that student's initially declared course of study.
  - C. For THE purposes of this section:
- 1. "Emergency paramedic" means a person who has been trained in an emergency paramedic training program certified by the director of the department of health services or in an equivalent training program and who is certified by the director of the department of health services to render services pursuant to section 36-2205.
- 2. "Fire fighter" means a professional fire fighter who is a member of a state, federal, tribal, city, county, district or private fire department.
- 3. "Peace officers" means sheriffs of counties, constables, marshals, police officers of cities and towns, commissioned personnel of the department of public safety and police officers appointed by community college district governing boards or the Arizona board of regents, who have received a certificate from the Arizona peace officer standards and training board, and other state, federal, tribal, city or county officers vested by law with a duty to maintain public order and make arrests.
- Sec. 33. Section 15-1821, Arizona Revised Statutes, is amended to read:

# 15-1821. <u>Special admission of students under age eighteen:</u> enrollment information: reports

- A. The state board of directors for community colleges EACH COMMUNITY COLLEGE DISTRICT BOARD shall adopt rules POLICIES which require community colleges under its jurisdiction to admit students under age eighteen who have not yet attained a high school diploma or high school certificate of equivalency and who meet the established requirements of the courses for which they enroll. The Arizona board of regents shall adopt rules which require the universities under its jurisdiction to admit students under age eighteen who have not yet attained a high school diploma or high school certificate of equivalency and who meet the established requirements of the courses for which they enroll.
- B. The POLICIES AND rules as provided in subsection A shall include the following provisions:
- 1. No student under age eighteen shall be denied admission because of 46 dage, lack of a high school diploma or high school certificate of equivalency,

- 27 -

grade in school, lack of permission of school officials or lack of concurrent enrollment in a public or private school, if the student has achieved at least a specified score on a college entrance examination.

- 2. A community college or university which admits a student pursuant to paragraph 1 OF THIS SUBSECTION may limit the number of semester credit hours in which the student may enroll to no less than six semester credit hours.
- 3. A student admitted to a community college or university pursuant to paragraph 1 OF THIS SUBSECTION is not guaranteed admission to a specific degree program or to all courses offered by the community college or university.
- C. The state board of directors for community colleges and the Arizona board of regents shall provide all high schools in this state with information which describes the POLICIES AND rules, AS APPROPRIATE, the types of courses available and other information related to the enrollment of students under the age of eighteen. Each unified or union HIGH school district school shall make this information available to all students in at least grades nine through twelve.
- D. On or before November 15, the state board of directors for community colleges and the Arizona board of regents shall each submit a report to the president of the senate, the speaker of the house of representatives and the state board of education on students under the age of eighteen who had not yet attained a high school diploma or high school certificate of equivalency and who were enrolled in a university or community college course or A program for community college or university credit during the time period of September of the previous fiscal year through August of the current fiscal year. The annual report shall include at least the following:
  - 1. The number of students who were enrolled.
- 2. A general narrative of the types of courses or programs in which the students were enrolled.
  - 3. The rules adopted pursuant to subsection A.
- E. On or before September 30, each institution under the jurisdiction of the state board of directors for community colleges or the Arizona board of regents shall submit to the appropriate ARIZONA board OF REGENTS in the form specified by the board the information that the board needs to compile the report required in subsection D.
- F. ON OR BEFORE SEPTEMBER 30, EACH COMMUNITY COLLEGE DISTRICT SHALL SUBMIT TO THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES IN THE FORM SPECIFIED BY THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES THE INFORMATION THAT THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES NEEDS TO COMPILE THE REPORT REQUIRED IN SUBSECTION D.

- 28 -

Sec. 34. Title 15, chapter 14, article 2, Arizona Revised Statutes, is amended by adding section 15–1821.01, to read:

15-1821.01. <u>Dual enrollment information</u>

ON A DETERMINATION BY A COMMUNITY COLLEGE DISTRICT GOVERNING BOARD THAT IT IS IN THE BEST INTEREST OF THE CITIZENS OF A DISTRICT, THE DISTRICT GOVERNING BOARD MAY AUTHORIZE DISTRICT COMMUNITY COLLEGES TO OFFER COLLEGE COURSES THAT MAY BE COUNTED TOWARD BOTH HIGH SCHOOL AND COLLEGE GRADUATION REQUIREMENTS AT THE HIGH SCHOOL DURING THE SCHOOL DAY SUBJECT TO THE FOLLOWING:

- 1. THE COMMUNITY COLLEGE DISTRICT GOVERNING BOARD AND THE GOVERNING BOARD OF THE SCHOOL DISTRICT OR ORGANIZATION OF WHICH THE HIGH SCHOOL IS A PART SHALL ENTER INTO AN AGREEMENT OR CONTRACT THAT SHALL, AT A MINIMUM, ADDRESS THE RESPONSIBILITY OF THE COMMUNITY COLLEGE AND OF THE HIGH SCHOOL FOR PAYMENT FOR FACILITIES, PERSONNEL AND OTHER COSTS, AND THE MANNER IN WHICH THE COLLEGE TUITION IS TO BE PAID BY OR ON BEHALF OF EACH STUDENT SHALL BE CLEARLY STATED.
- 2. STUDENTS SHALL BE ADMITTED TO THE COMMUNITY COLLEGE UNDER THE POLICIES ADOPTED BY EACH DISTRICT, SUBJECT TO THE FOLLOWING:
- (a) ALL STUDENTS ENROLLED FOR COLLEGE CREDIT SHALL BE HIGH SCHOOL JUNIORS OR SENIORS. ALL STUDENTS IN THE COURSE, INCLUDING THOSE NOT ELECTING TO ENROLL FOR COLLEGE CREDIT, SHALL SATISFY THE PREREQUISITES FOR THE COURSE AS PUBLISHED IN THE COLLEGE CATALOG AND SHALL COMPLY WITH COLLEGE POLICIES REGARDING STUDENT PLACEMENT IN COURSES.
- (b) A COMMUNITY COLLEGE MAY WAIVE THE CLASS STATUS REQUIREMENTS SPECIFIED IN SUBDIVISION (a) OF THIS PARAGRAPH FOR UP TO TWENTY-FIVE PER CENT OF THE STUDENTS ENROLLED BY A COLLEGE IN COURSES PROVIDED THAT THE COMMUNITY COLLEGE HAS AN ESTABLISHED WRITTEN CRITERIA FOR WAIVING THE REQUIREMENTS FOR EACH COURSE. THESE CRITERIA SHALL INCLUDE A DEMONSTRATION, BY AN EXAMINATION OF THE SPECIFIC PURPOSES AND REQUIREMENTS OF THE COURSE, THAT FRESHMAN AND SOPHOMORE STUDENTS WHO MEET COURSE PREREQUISITES ARE PREPARED TO BENEFIT FROM THE COLLEGE LEVEL COURSE. ALL EXCEPTIONS AND THE JUSTIFICATION FOR THE EXCEPTIONS SHALL BE REPORTED AS PROVIDED IN PARAGRAPH 6 OF THIS SECTION.
- 3. THE COURSES SHALL BE PREVIOUSLY EVALUATED AND APPROVED THROUGH THE CURRICULUM APPROVAL PROCESS OF THE DISTRICT, SHALL BE AT A HIGHER LEVEL THAN TAUGHT BY THE HIGH SCHOOL AND SHALL BE TRANSFERABLE TO A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR BE APPLICABLE TO AN ESTABLISHED COMMUNITY COLLEGE OCCUPATIONAL DEGREE OR CERTIFICATE PROGRAM. PHYSICAL EDUCATION COURSES SHALL NOT BE AVAILABLE FOR DUAL ENROLLMENT PURPOSES.
- 4. COLLEGE APPROVED TEXTBOOKS, SYLLABUSES, COURSE OUTLINES AND GRADING STANDARDS THAT ARE APPLICABLE TO THE COURSES IF TAUGHT AT THE COMMUNITY COLLEGE SHALL APPLY TO THESE COURSES AND TO ALL STUDENTS IN THE COURSES OFFERED PURSUANT TO THIS SECTION. THE CHIEF EXECUTIVE OFFICER OF EACH COMMUNITY COLLEGE SHALL ESTABLISH AN ADVISORY COMMITTEE OF FULL-TIME FACULTY WHO TEACH IN THE DISCIPLINES OFFERED AT THE COMMUNITY COLLEGE TO ASSIST IN COURSE SELECTION AND IMPLEMENTATION IN THE HIGH SCHOOLS AND TO REVIEW AND

- 29 -

5

REPORT AT LEAST ANNUALLY TO THE CHIEF EXECUTIVE OFFICER WHETHER THE COURSE GOALS AND STANDARDS ARE UNDERSTOOD, THE COURSE GUIDELINES ARE FOLLOWED AND THE SAME STANDARDS OF EXPECTATION AND ASSESSMENT ARE APPLIED TO THESE COURSES AS THOUGH THEY WERE BEING OFFERED AT THE COMMUNITY COLLEGE.

- 5. EACH FACULTY MEMBER SHALL MEET THE REQUIREMENTS ESTABLISHED BY THE GOVERNING BOARD PURSUANT TO SECTION 15-1444. THE CHIEF EXECUTIVE OFFICER OF EACH COMMUNITY COLLEGE DISTRICT SHALL ESTABLISH AN ADVISORY COMMITTEE OF FULL-TIME FACULTY WHO TEACH IN THE DISCIPLINES OFFERED AT THE COMMUNITY COLLEGE DISTRICT TO ASSIST IN THE SELECTION, ORIENTATION, ONGOING PROFESSIONAL DEVELOPMENT AND EVALUATION OF FACULTY TEACHING COLLEGE COURSES IN CONJUNCTION WITH THE HIGH SCHOOLS.
- 6. EACH COMMUNITY COLLEGE DISTRICT SHALL ANNUALLY, ON OR BEFORE SEPTEMBER 1, PROVIDE A REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON THE COURSES OFFERED IN CONJUNCTION WITH HIGH SCHOOLS DURING THE PREVIOUS FISCAL YEAR. IN THE CASE OF A MULTICOLLEGE DISTRICT, THE MULTICOLLEGE DISTRICT SHALL PROVIDE A SEPARATE REPORT FOR EACH COLLEGE. THIS REPORT SHALL INCLUDE THE FOLLOWING:
- (a) DOCUMENTATION OF COMPLIANCE WITH THE REQUIREMENTS IDENTIFIED IN PARAGRAPHS 3, 4 AND 5 OF THIS SECTION.
- (b) THE NUMBER OF STUDENTS IN EACH COURSE WHO DID NOT MEET THE CRITERIA PRESCRIBED IN PARAGRAPH 2 OF THIS SECTION.
- (c) THE TOTAL ENROLLMENTS LISTED BY LOCATION, BY HIGH SCHOOL GRADE LEVEL, BY COURSE AND BY WHETHER THE PROGRAM WAS ACADEMIC OR OCCUPATIONAL.
- (d) SUMMARY DATA ON THE PERFORMANCE OF STUDENTS ENROLLED FOR COLLEGE CREDIT IN COURSES OFFERED IN CONJUNCTION WITH HIGH SCHOOLS, INCLUDING COMPLETION RATES AND GRADE DISTRIBUTION.
- 7. EACH COMMUNITY COLLEGE DISTRICT SHALL CONDUCT TRACKING STUDIES OF SUBSEQUENT ACADEMIC OR OCCUPATIONAL ACHIEVEMENT OF STUDENTS ENROLLED IN COURSES OFFERED PURSUANT TO THIS SECTION. THE REPORT OF THE RESULTS OF THE FIRST TRACKING STUDY SHALL BE SUBMITTED TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON OR BEFORE SEPTEMBER 1, 2003 AND SUBSEQUENT REPORTS SHALL BE SUBMITTED TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON OR BEFORE SEPTEMBER 1 OF EACH ODD-NUMBERED YEAR THEREAFTER, SUBJECT TO THE FOLLOWING:
- (a) THE TRACKING STUDIES PRESCRIBED IN THIS PARAGRAPH MAY INVOLVE STATISTICALLY VALID SAMPLING TECHNIQUES AND SHALL INCLUDE, AT A MINIMUM, THE HIGH SCHOOL GRADUATION RATE, THE NUMBER OF STUDENTS CONTINUING THEIR STUDIES AFTER GRADUATION AT A COMMUNITY COLLEGE IN THIS STATE OR A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS, THE PERFORMANCE OF THE STUDENTS IN SUBSEQUENT COLLEGE COURSES IN THE SAME DISCIPLINE OR OCCUPATIONAL FIELD AND THE STUDENT'S GRADE POINT AVERAGE AFTER ONE YEAR AT AN ARIZONA COMMUNITY COLLEGE OR UNIVERSITY AS COMPARED TO THE STUDENT'S COLLEGE GRADE POINT AVERAGE FOR COURSES COMPLETED WHILE STILL IN HIGH SCHOOL.
- (b) ON RECEIPT OF THE REPORT OF THE TRACKING STUDIES PRESCRIBED IN THIS PARAGRAPH, THE JOINT LEGISLATIVE BUDGET COMMITTEE SHALL CONVENE AN AD HOC COMMITTEE THAT INCLUDES COMMUNITY COLLEGE ACADEMIC OFFICERS, FACULTY AND OTHER EXPERTS IN THE FIELD TO REVIEW THE MANNER IN WHICH THESE COURSES ARE

- 30 -

PROVIDED. THIS COMMITTEE MAY MAKE RECOMMENDATIONS TO THE JOINT LEGISLATIVE BUDGET COMMITTEE REGARDING DESIRABLE CHANGES IN THIS SECTION OR IN THE MANNER IN WHICH THIS SECTION IS BEING IMPLEMENTED. A COPY OF THIS REPORT SHALL BE PROVIDED TO EACH DISTRICT GOVERNING BOARD.

8. A SCHOOL DISTRICT SHALL ENSURE THAT A PUPIL IS A FULL-TIME STUDENT AS DEFINED IN SECTION 15-901 AND IS ENROLLED IN AND ATTENDING A FULL-TIME INSTRUCTIONAL PROGRAM AT A SCHOOL IN THE SCHOOL DISTRICT BEFORE THAT PUPIL IS ALLOWED TO ENROLL IN A COLLEGE COURSE PURSUANT TO THIS SECTION, EXCEPT THAT HIGH SCHOOL SENIORS WHO SATISFY HIGH SCHOOL GRADUATION REQUIREMENTS WITH LESS THAN A FULL-TIME INSTRUCTIONAL PROGRAM SHALL BE EXEMPT FROM THIS SUBDIVISION.

Sec. 35. Section 15-1822, Arizona Revised Statutes, is amended to read:

#### 15-1822. Report: academic performance of high school graduates

- A. On or before October 31, the state board of directors for community colleges and the Arizona board of regents shall each submit a report to the president of the senate, the speaker of the house of representatives, the superintendent of public instruction and the state board of education on the academic performance of THE preceding year's graduates from high schools in this state enrolled in institutions under their jurisdiction during the year ending on June 30 of the current calendar year. The report shall include for each school at least the following:
- 1. The number of graduates of the school who were enrolled in the institution during the reporting period.
- 2. Information about the academic performance of graduates of the school in mathematics and English courses.
- B. On or before September 1, each institution under the jurisdiction of the state board of directors for community colleges or the Arizona board of regents shall submit to the appropriate ARIZONA board OF REGENTS in the form specified by the ARIZONA board OF REGENTS the information that the ARIZONA board OF REGENTS needs to compile the report required under this section.
- C. ON OR BEFORE SEPTEMBER 1, EACH COMMUNITY COLLEGE DISTRICT SHALL SUBMIT TO THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES IN THE FORM SPECIFIED BY THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES THE INFORMATION THAT THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES NEEDS TO COMPILE THE REPORT REQUIRED UNDER THIS SECTION.
- c. D. The superintendent of public instruction shall provide each high school in this state with a copy of the portion of the report that is applicable to its graduates.

- 31 -

3

4

5

6

7

8

9

10

11 12

13

14

15

16

17

18

19

20

21

22

23

24

25

26 27

28 29

30 31

32

33

34

35

36

37

38

39

40

41 42

43

44

45, 46 <sup>-</sup>

Sec. 36. Section 15-1823, Arizona Revised Statutes, is amended to read:

#### 15-1823. Identification numbers; social security numbers

- A. From and after June 30, 2002, if a university under the jurisdiction of the Arizona board of regents assigns an individual identification number to faculty, staff or students at a university, the identification number shall not be identical to the individual's social security number. The university shall not allow the display of the individual's social security number, or any four or more consecutive numbers contained in the individual's social security number, on any internet site maintained by the university or other publicly accessible document for any purpose.
- B. On request of an individual, a university under the jurisdiction of the Arizona board of regents shall assign faculty, staff or students an individual identification number that is identical to an individual's social security number. A university shall notify faculty, staff or students of the option to obtain an identification number for no additional fee that is identical to the individual's social security number on a form distributed at the time that the individual identification number is assigned.
- C. If a community college or community college district under the jurisdiction of the state board of directors for community colleges assigns an individual identification number to faculty, staff or students at a community college that is identical to an individual's social security number, the community college or community college district shall not allow the display of an individual's social security number, or any four or more consecutive numbers contained in the individual's social security number, on any internet site maintained by the community college or community college district or other publicly accessible document for any purpose.
- D. On the request of a student, a community college or community college district shall assign the student an identification number that is not identical to the student's social security number. BEGINNING JANUARY 1, 2004. IF A HIGH SCHOOL STUDENT IS ENROLLED IN A COLLEGE COURSE OFFERED BY A COMMUNITY COLLEGE DISTRICT PURSUANT TO SECTION 15-1821.01, THE IDENTIFICATION NUMBER ASSIGNED TO THAT STUDENT PURSUANT TO THIS SUBSECTION SHALL CORRESPOND TO THE IDENTIFICATION NUMBER ASSIGNED TO THAT STUDENT IN CONNECTION WITH THE STUDENT ACCOUNTABILITY INFORMATION SYSTEM ESTABLISHED BY SECTION 15-1041. A community college or community college district shall notify students of the option to obtain an individual identification number for no additional fee that is not identical to an individual's social security number in through telecommunications for admission, applications procedures, and in college catalogs. Notification in catalogs shall occur no later than June 30, 2000, or in the next printed edition of the catalog after the current one in print, whichever is sooner.
- E. On the request of a faculty or staff member, a community college or community college district shall assign the faculty or staff member an identification number that is not identical to the faculty or staff member's

- 32 -

social security number. A community college or community college district shall provide notification to faculty and staff members of the option to obtain an individual identification number that is not identical to a faculty or staff member's social security number.

- F. This section does not exempt any regulated institution from any duty of compliance it may have with any federal law that may:
- 1. Regulate that institution's collection or use of social security numbers.
  - 2. Protect the privacy rights of faculty, staff or students.
- G. This section does not prohibit the electronic transfer of student transcripts between educational institutions.
- Sec. 37. Section 15-1824, Arizona Revised Statutes, is amended to read:

#### 15-1824. Transfer articulation; annual report

- A. The community colleges COLLEGE DISTRICTS and universities shall cooperate in operating a statewide articulation and transfer system, including the process for transfer of lower division general education credits, general elective credits and curriculum requirements for approved majors, to facilitate the transfer of community college students to Arizona public universities without a loss of credit toward a baccalaureate degree and that the postsecondary education needs of students statewide are met without unnecessary duplication of programs.
- B. The Arizona board of regents and the community colleges COLLEGE DISTRICTS shall submit an annual report of their progress on both articulation and meeting statewide postsecondary education needs to the joint legislative budget committee and the state board of directors for community colleges on or before December 15.
- Sec. 38. Section 15-1831, Arizona Revised Statutes, is amended to read:

### 15-1831. <u>Information on persons who have completed vocational</u> programs; definitions

- A. The center for vocational education shall:
- 1. By the end of each calendar year publish and distribute a report of the placement rates and average salaries earned by persons completing vocational programs in this state during the prior fiscal year. This report may include information on a program which would be a vocational program except that it was not completed by at least twenty-five persons during the fiscal year.
- 2. Establish an advisory committee consisting of representatives of both public and private institutions which offer vocational programs. The advisory committee shall advise the center in the implementation of this section.
- 3. Prescribe the format in which institutions which offer vocational programs shall provide the information necessary to produce the report prescribed in paragraph 1 of this subsection.
  - B. The governing board of each community college district shall:

- 33 -

3

4

5 6

7

8

9 10

11

12

13

14

15

16

17

18

19

20

21 22

23 24

25

26

27

28

29

30 31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

- 1. Transmit to the center for vocational education the following information within thirty days of the end of the fiscal year:
- (a) The social security number of each person who completed a vocational program during the previous fiscal year.
- (b) Such information as the center may require in order to conduct a follow-up survey of a sample of PERSONS WHO HAVE COMPLETED vocational program completers PROGRAMS.
- 2. Make available to students prior to or at the time of registration the report distributed by the center for vocational education as prescribed in this section.
  - C. In this section, unless the context otherwise requires:
- 1. "Center for vocational education" means the center for vocational education at a university under the jurisdiction of the Arizona board of regents designated by the board.
- 2. "Vocational program" means a program completed by at least twenty-five persons during the fiscal year and which is one of the following:
- (a) Operated by a community college district organized pursuant to chapter 12 of this title and designated as a vocational program by the state board of directors for community colleges, including vocational programs operated by a skill center.
- (b) A private vocational program licensed pursuant to section 32-3021 which does not provide a baccalaureate degree.
- Sec. 39. Section 15-1851, Arizona Revised Statutes, is amended to read:

```
15-1851. Commission for postsecondary education; purpose; report; members; terms; powers and duties; compensation; quorum; personal liability; definition
```

The commission for postsecondary education is established as the postsecondary review entity for this state for the conduct, supervision and coordination of the review of postsecondary education institutions in order to determine the eligibility of those institutions for student financial aid monies pursuant to the provisions of part H, subpart one of the higher education amendments of 1992 (P.L. 102-325; 106 Stat. 638; 20 United States Code section 1099a). The commission shall accomplish the purpose of this subsection through the accumulation of information, the performance of studies and the determination of compliance by the postsecondary education institutions with the provisions of part H, subpart one of the higher education amendments of 1992. The review authority of the commission shall be limited to circumstances where the United States department of education has referred an institution to the commission for review or where the United States department of education has approved the review of an institution in accordance with criteria established by the United States department of The commission shall keep records of its activities, and the commission shall provide information when requested to the United States secretary of education for financial and compliance audits and for institution evaluation. The scope of authority of the commission acting as

- 34 -

a postsecondary review entity to review any educational institution is limited specifically to compliance by the institution with title IV, part H, subpart one of the higher education amendments of 1992. Any review of any institution conducted by the commission shall be performed in the context of the institution's individual mission and purposes. The commission shall not exercise planning, policy, coordinating, supervisory, budgeting or administrative powers over any postsecondary institution in this state.

- B. The commission shall also administer the applicable programs identified under section 1203 of the higher education act amendments of 1998 (P.L. 105-244), including the leveraging educational assistance partnership program, the federal family education loan program and the Paul Douglas teacher scholarships program, and shall supervise the state guarantee agency under the higher education act amendments of 1998.
- C. In addition to the responsibilities prescribed in subsections A and B of this section, the commission shall:
- 1. Provide a forum to public and private postsecondary education institutions for discussion of issues of mutual interest, including the following:
- (a) The postsecondary needs of unserved and underserved individuals in this state.
- (b) The resources of public and private institutions, organizations and agencies that are located in this state and that are capable of providing postsecondary education opportunities.
- (c) Enrollment demand and public policy options to meet statewide needs for postsecondary education services.
  - (d) Cooperative comprehensive instructional and capital planning.
- 2. Provide reports pursuant to this subsection on discussions of issues of mutual interest.
- 3. Coordinate and promote collaborative studies on issues of mutual interest to public and private postsecondary education institutions.
- 4. Compile and disseminate information to the public regarding postsecondary education opportunities in this state.
- 5. Prepare an annual report that summarizes the results of the commission's activities prescribed in this section and section 15-1852. The annual report shall be submitted to the speaker of the house of representatives, the president of the senate, the governor and the Arizona state library, archives and public records by December 28.
- D. The commission consists of the executive director of the Arizona board of regents, the executive director SENIOR ADMINISTRATOR of the state board of directors for community colleges, the executive director of the state board for private postsecondary education and the following thirteen additional members who shall be appointed by the governor pursuant to section 38-211:
- 1. Two members who hold senior executive or managerial positions in a university under the jurisdiction of the Arizona board of regents.

- 35 -

- 2. Two members who hold senior executive or managerial positions in a community college district that is under the jurisdiction of the state board of directors for community colleges, one representing a community college district in a county with a population of five hundred thousand persons or more and one representing a community college district in a county with a population of less than five hundred thousand persons.
- 3. Two members who hold senior executive or managerial positions in private postsecondary institutions of higher education that are licensed under title 32, chapter 30, that are located in this state, that offer bachelor or higher degrees and that are accredited by a regional accreditation agency approved by the United States department of education.
- 4. Two members who hold senior executive or managerial positions in private postsecondary institutions of higher education that are licensed under title 32, chapter 30, that are located in this state, that offer vocational education programs and that are accredited by a national accreditation agency approved by the United States department of education.
- 5. One member who holds a senior executive or managerial position in a private cosmetology school that is licensed under title 32, chapter 5, that is located in this state, that offers cosmetology programs approved by the board of cosmetology and that are accredited by a national accreditation agency approved by the United States department of education.
- 6. One member who holds a senior executive or managerial position in an institution that is licensed under title 32, chapter 23 or under the provisions of 14 Code of Federal Regulations part 147, that offers vocational education programs at the postsecondary level, that is located in this state and that is not an institution that is qualified under any other category.
- 7. One member who has held a senior executive or managerial level position in commerce or industry in this state for at least three years before the member's appointment and who is not qualified to serve under any other category.
- 8. Two members who hold senior executive or managerial positions in the high school education system in this state.
- E. Members of the commission appointed pursuant to subsection D, paragraphs 1 through 8 of this section shall serve four year terms. Appointed members of the commission shall be residents of this state. Appointed members of the commission at all times during their terms shall continue to be eligible for appointment under the category that they were appointed to represent. Terms of appointed members of the commission begin on the third Monday in January. No appointed member of the commission may serve more than two consecutive terms.
- F. The executive director of the Arizona board of regents, the executive director SENIOR ADMINISTRATOR of the state board of directors for community colleges and the executive director of the state board for private postsecondary education serve as members of the commission during their respective terms of office and are not eligible to vote with respect to the commission's review of any postsecondary institution.

- 36 -

3

4 5

6

7 8

9

10

11 12

13

14

15

16 17

18

19

20

21

22

23 24

25 26

27

28 29

30

31

32

33

34

35

36

37

38

39

40

41

42 43

44

45

- G. Members appointed pursuant to subsection D, paragraphs 1 through 8 of this section are eligible to receive compensation pursuant to section 38-611 for each day spent in the performance of commission duties and may be reimbursed for expenses properly incurred in connection with the attendance at meetings or hearings of the commission.
- H. The governor shall appoint a chairman from among the members of the commission who shall serve a one year term that begins on the third Monday
- I. Except as provided in subsection J of this section, a majority of the members of the commission constitutes a quorum for the transaction of commission business. The vote of a majority of the quorum constitutes authority for the commission to act.
- J. For all purposes relating to title IV, part H, subpart one of the higher education amendments of 1992 the commission membership shall consist only of the members appointed pursuant to subsection D, paragraphs 1 through 7 of this section, and all commission actions taken pursuant to title IV, part H, subpart one of the higher education act of 1992 require the affirmative vote of at least six members.
- K. Members of the commission are immune from personal liability with respect to all actions that are taken in good faith and within the scope of the commission's authority.
- FOR THE PURPOSES OF THIS SECTION, "COMMUNITY COLLEGE DISTRICT" MEANS A COMMUNITY COLLEGE DISTRICT ESTABLISHED PURSUANT TO SECTIONS 15-1402 AND 15-1403 THAT IS A POLITICAL SUBDIVISION OF THIS STATE.
- Sec. 40. Section 15-1854, Arizona Revised Statutes, is amended to read:

#### Private postsecondary education student financial 15-1854. assistance program; private postsecondary education student financial assistance fund; definition

A private postsecondary education student financial assistance program is established. The commission shall develop, implement and administer the program. A student who obtains an associate degree from a community college under the jurisdiction of the state board of directors for community colleges DISTRICT or from a community college under the jurisdiction of an Indian tribe in this state that meets the same accreditation standards as A community colleges under the jurisdiction of the state board of directors for community colleges COLLEGE DISTRICT and who registers for enrollment as a full-time student in a baccalaureate program at a private, nationally or regionally accredited four year degree granting college or university chartered in this state is eligible to submit an application to the commission for participation in the program. The commission shall establish eligibility criteria for the program including financial need and academic merit, shall develop application forms, procedures and deadlines and shall select qualifying students each year for participation in the program. Participating students shall receive an award 46 in an amount of up to one thousand five hundred dollars annually for not to

- 37 -

45.

exceed two years and three thousand dollars to be used to pay all or a portion of the tuition and fees charged at the private, accredited four year college or university.

- B. A private postsecondary education student financial assistance fund is established consisting of legislative appropriations. The commission shall administer the fund. Monies in the fund are exempt from the provisions of section 35-190, relating to lapsing of appropriations. The commission shall make awards for payment of tuition at eligible colleges or universities to students who are selected to participate in the private postsecondary education student financial assistance program pursuant to subsection A.
- C. The commission shall develop a program evaluation procedure in order to determine the effectiveness of the private postsecondary education student financial assistance program in shifting students who would have otherwise attended a public four year college or university to private four year degree granting colleges or universities.
- D. A student who fails to receive a baccalaureate degree within a three year period of receipt of the program award shall reimburse the private postsecondary education student financial assistance fund for all awards received pursuant to subsection A.
- E. FOR THE PURPOSES OF THIS SECTION, "COMMUNITY COLLEGE DISTRICT" MEANS A COMMUNITY COLLEGE DISTRICT ESTABLISHED PURSUANT TO SECTIONS 15-1402 AND 15-1403 THAT IS A POLITICAL SUBDIVISION OF THIS STATE.
- Sec. 41. Section 41-1005, Arizona Revised Statutes, is amended to read:

## 41-1005. Exemptions

- A. This chapter does not apply to any:
- 1. Rule which relates to the use of public works, including streets and highways, under the jurisdiction of an agency if the effect of the order is indicated to the public by means of signs or signals.
- 2. Order of the Arizona game and fish commission which opens, closes or alters seasons or establishes bag or possession limits for wildlife.
- 3. Rule relating to section 28-641 or to any rule regulating motor vehicle operation which relates to speed, parking, standing, stopping or passing enacted pursuant to title 28, chapter 3.
- 4. Rule concerning only the internal management of an agency which does not directly and substantially affect the procedural or substantive rights or duties of any segment of the public.
- 5. Rule that only establishes specific prices to be charged for particular goods or services sold by an agency.
- 6. Rule concerning only the physical servicing, maintenance or care of agency owned or operated facilities or property.
- 7. Rule or substantive policy statement concerning inmates or committed youth of a correctional or detention facility in secure custody or patients admitted to a hospital, if made by the state department of corrections, the department of juvenile corrections, the board of executive clemency or the department of health services or a facility or hospital under

- 38 -

the jurisdiction of the state department of corrections, the department of juvenile corrections or the department of health services.

- 8. Form whose contents or substantive requirements are prescribed by rule or statute, and instructions for the execution or use of the form.
- 9. Capped fee-for-service schedule adopted by the Arizona health care cost containment system administration pursuant to title 36, chapter 29.
  - 10. Fees prescribed by section 6–125.
- 11. Order of the director of water resources adopting or modifying a management plan pursuant to title 45, chapter 2, article 9.
  - 12. Fees prescribed by section 15-1425.
  - 13. 12. Fees established under section 3-1086.
- 14. 13. Fee-for-service schedule adopted by the department of economic security pursuant to section 8-512.
  - 15. 14. Fees established under sections 41-2144 and 41-2189.
  - 16. 15. Rule or other matter relating to agency contracts.
  - 17. 16. Fees established under section 32-2067 or 32-2132.
  - 18. 17. Rules made pursuant to section 5-111, subsection A.
- 19. 18. Rules made by the Arizona state parks board concerning the operation of the Tonto natural bridge state park, the facilities located in the Tonto natural bridge state park and the entrance fees to the Tonto natural bridge state park.
  - 20. 19. Fees or charges established under section 41-511.05.
- 21. 20. Emergency medical services protocols except as provided in section 36-2205, subsection C.
  - 22. 21. Fee schedules established pursuant to section 36-3409.
- 23. 22. Procedures of the state transportation board as prescribed in section 28-7048.
  - 24. 23. Rules made by the state department of corrections.
  - 25. 24. Fees prescribed pursuant to section 32-1527.
- $\frac{26.}{25.}$  25. Rules made by the department of economic security pursuant to section 46-805.
  - 27. 26. Schedule of fees prescribed by section 23-908.
- B. Notwithstanding subsection A, paragraph 23 of this section, at such time as the federal highway administration authorizes the privatization of rest areas, the state transportation board shall make rules governing the lease or license by the department of transportation to a private entity for the purposes of privatization of a rest area.
- C. Coincident with the making of a rule pursuant to an exemption under this section, the agency shall file a copy of the rule with the secretary of state for publication pursuant to section 41-1012.
- D. Unless otherwise required by law, articles 2, 3, 4 and 5 of this chapter do not apply to the Arizona board of regents and the institutions under its jurisdiction, except that the Arizona board of regents shall make policies or rules for the board and the institutions under its jurisdiction which provide, as appropriate under the circumstances, for notice of and opportunity for comment on the policies or rules proposed.

- 39 -

- E. Unless otherwise required by law, articles 2, 3, 4 and 5 of this chapter do not apply to the Arizona state schools for the deaf and the blind, except that the board of directors of all the state schools for the deaf and the blind shall adopt policies for the board and the schools under its jurisdiction that provide, as appropriate under the circumstances, for notice of and opportunity for comment on the policies proposed for adoption.
- Sec. 42. Section 41-2751, Arizona Revised Statutes, is amended to read:

# 41-2751. Definitions

In this article, unless the context otherwise requires:

- 1. "GOVERNING BOARD" MEANS THE ARIZONA BOARD OF REGENTS FOR THE UNIVERSITIES OR ANY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD.
- 1. 2. "Invited guests" means persons who enter onto a campus for an educational, research or public service activity and not primarily to purchase or receive goods and services not related to the educational, research or public service activity for which such persons enter onto the campus.
- 2. 3. "Private enterprise" means an individual, firm, partnership, joint venture, corporation, association or any other legal entity engaging in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing or advertising of goods or services for profit.
- 3. 4. "Public service" means an activity that is normally and generally associated with community colleges and universities in this state, a purpose or significant result of which is not to engage in competition with private enterprise.
- 4. 5. "State agency" means a department, office, commission, institution, board or other agency of state organization regardless of whether monies are appropriated to the agency.
- 5. "State governing board" means the Arizona board of regents for the universities and the state board of directors for community colleges for the community colleges.
- Sec. 43. Section 41-2752, Arizona Revised Statutes, is amended to read:

# 41-2752. <u>State competition with private enterprise prohibited:</u> <u>exceptions</u>

- A. A state agency shall not engage in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing or advertising of goods or services to the public that are also offered by private enterprise unless specifically authorized by law other than administrative law and executive orders.
- B. A state agency shall not offer or provide goods or services to the public for or through another state agency or a local agency, including by intergovernmental or interagency agreement, in violation of this section or section 41-2753.

- 40 -

- C. The restrictions on activities that compete with private enterprise contained in this section do not apply to:
- 1. The development, operation and management of state parks, historical monuments and hiking or equestrian trails.
- 2. Correctional industries established and operated by the state department of corrections providing the prices charged for products sold by the correctional industries are not less than the actual cost of producing and marketing the product plus a reasonable allowance for overhead and administrative costs.
  - 3. The Arizona office of tourism.
- 4. The Arizona highways magazine, operated by the department of transportation.
- 5. Printing and distributing information to the public if the agency is otherwise authorized to do so, and printing or copying public records or other material relating to the public agency's public business and recovering through fees and charges the costs of such printing, copying and distribution.
  - 6. The department of public safety.
- 7. The construction, maintenance and operation of state transportation facilities.
- 8. The development, distribution, maintenance, support, licensing, leasing or sale of computer software by the department of transportation.
- 9. Agreements executed by the Arizona health care cost containment system administration with other states to design, develop, install and operate information technology systems and related services or other administrative services pursuant to section 36-2925.
- 10. Agreements executed by the department of economic security with other states to design, develop, install and operate support collection technology systems and related services. The department shall deposit, pursuant to sections 35-146 and 35-147, monies received pursuant to this paragraph in the public assistance collections fund established by section 46-295.
- 11. Contracts between the department of juvenile corrections and this state, a political subdivision of this state or a private entity in order to provide employment or vocational educational experience.
- 12. The aflatoxin control technologies of the cotton research and protection council.
- D. The restrictions on activities that compete with private enterprise contained in subsection A of this section do not apply to community colleges and universities under the jurisdiction of a state governing board.

- 41 -

2

3

4

5

6

7

8

9

10

11

12

13

14 15

16

17

18

19

20

21 22

23 24

25

26 27

28 29

30 31

32

33

34

35

36

37 38

39

40

41 42

43 44

45

Section 41-2753, Arizona Revised Statutes, is amended to Sec. 44. read:

#### Competition with private enterprise by community 41-2753. colleges and universities; limitations; rules; complaints

- Community colleges and universities under the jurisdiction of a state governing board shall not, unless specifically authorized by statute:
- Provide to persons other than students, faculty, staff and invited guests goods, services or facilities that are practically available from private enterprise, unless the provision of the goods, service or facility offers a valuable educational or research experience for students as a part of their education or fulfills the public service mission of the community college or university. This paragraph does not apply to sponsoring or providing facilities for recreational, cultural and athletic events or to facilities providing food services and sales.
- Enter competitive bidding for rendering any goods or services unless a clear educational or research advantage would accrue to this state by the community college or university rendering the goods or services. Any such bid shall fairly and fully allocate all direct and indirect costs unless the funding agency or sources provide for or require all bidders to use a specific procedure or formula for allocating costs.
- Provide to students, faculty, staff or invited guests goods, services or facilities that are practically available from private enterprise except as authorized by the state governing board.
- 4. Provide goods, services or facilities for or through another state agency or a local agency, including by intergovernmental or interagency agreement, which, if provided directly by the contractor, would be in violation of this section or section 41-2752.
- The state A governing board may adopt and implement rules OR POLICIES, AS APPROPRIATE, to provide for the disposal by sale of products and by-products which are an integral part of research or instruction conducted by community colleges and universities under its jurisdiction if the products and by-products are not sold to a retailer or sold at retail to the public by the particular community college or university unless the sale is an integral part of the particular research project or instructional program or there is no other practical way of disposing by sale of the products or by-products, and if the products or by-products are sold at their market value.
- The state A governing board shall adopt and implement rules OR С. POLICIES, AS APPROPRIATE, to:
- 1. Regulate community college and university competition with private enterprise and ensure compliance with this section.
- Regulate use of community college and university facilities by students, faculty, staff, invited guests and the general public.
- 3. Provide procedures for promptly hearing and resolving complaints 46 Nodged under this article relating to community colleges and state

- 42 -

5

universities under the jurisdiction of the state governing board. Such procedures shall include provisions for an expedited hearing process if it is determined the alleged competition may cause severe financial hardship on the person filing the complaint.

- D. Any person aggrieved by a violation of this section may file a complaint with the state governing board. The state governing board shall transmit a copy of a complaint received pursuant to this subsection to the private enterprise review board. The state governing board shall hear complaints made pursuant to this section within sixty days and shall render its decision within thirty days after the hearing. A person does not have standing to challenge violations of this section in the courts of this state until the person has first made a complaint to the board and has received the board's decision.
  - E. This section does not apply to:
- 1. The Arizona health sciences center operated by the university of Arizona, except in those cases in which the health sciences center provides prosthetic or medical devices, or services related to such devices, and a surgical or medical procedure is not involved in the application of the device.
- 2. The provision of free medical services or equipment to indigents in association with a community service health program.
- 3. Public service radio and television stations licensed to the state governing boards or to community colleges and universities under their jurisdiction.
  - 4. Skill centers operated by the community college districts.
- f. The exceptions to the restrictions on community college and university competition with private enterprise in subsections A, B and E of this section are subject to review by the private enterprise review board in accordance with section 41-2754, subsection I.
- Sec. 45. Subject to the requirements of article IV, part 1, section 1, subsection (6), Constitution of Arizona, section 42-5029, Arizona Revised Statutes, is amended to read:
  - 42-5029. Remission and distribution of monies; definition
- A. The department shall deposit, pursuant to sections 35-146 and 35-147, all revenues collected under this article and articles 4, 5, 8 and 9 of this chapter pursuant to section 42-1116, separately accounting for:
  - 1. Payments of estimated tax under section 42-5014, subsection D.
  - 2. Revenues collected pursuant to section 42-5070.
- 3. Revenues collected under this article and article 5 of this chapter from and after June 30, 2000 from sources located on Indian reservations in this state.
- 4. Revenues collected pursuant to section 42-5010, subsection G and section 42-5155, subsection D.
- 8. The department shall credit payments of estimated tax to an estimated tax clearing account and each month shall transfer all monies in the estimated tax clearing account to a fund designated as the transaction

- 43 -

**5** 

... 43

privilege and severance tax clearing account. The department shall credit all other payments to the transaction privilege and severance tax clearing account, separately accounting for the monies designated as distribution base under sections 42-5010, 42-5164, 42-5205, 42-5353 and 42-5409. Each month the department shall report to the state treasurer the amount of monies collected pursuant to this article and articles 4, 5, 8 and 9 of this chapter.

- C. On notification by the department, the state treasurer shall distribute the monies deposited in the transaction privilege and severance tax clearing account in the manner prescribed by this section and by sections 42-5164, 42-5205, 42-5353 and 42-5409, after deducting warrants drawn against the account pursuant to sections 42-1118 and 42-1254.
  - D. Of the monies designated as distribution base the department shall:
- 1. Pay twenty-five per cent to the various incorporated municipalities in this state in proportion to their population as shown by the last United States decennial or special census, or revisions to the decennial or special census certified by the United States bureau of the census, to be used by the municipalities for any municipal purpose.
- 2. Pay 38.08 per cent to the counties in this state by averaging the following proportions:
- (a) The proportion that the population of each county bears to the total state population, as shown by the most recent United States decennial or special census, or revisions to the decennial or special census certified by the United States bureau of the census.
- (b) The proportion that the distribution base monies collected during the calendar month in each county under this article, section 42-5164, subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409 bear to the total distribution base monies collected under this article, section 42-5164, subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409 throughout the state for the calendar month.
- 3. Pay an additional 2.43 per cent to the counties in this state as follows:
  - (a) Average the following proportions:
- (i) The proportion that the assessed valuation used to determine secondary property taxes of each county, after deducting that part of the assessed valuation that is exempt from taxation at the beginning of the month for which the amount is to be paid, bears to the total assessed valuations used to determine secondary property taxes of all the counties after deducting that portion of the assessed valuations that is exempt from taxation at the beginning of the month for which the amount is to be paid. Property of a city or town that is not within or contiguous to the municipal corporate boundaries and from which water is or may be withdrawn or diverted and transported for use on other property is considered to be taxable property in the county for purposes of determining assessed valuation in the county under this item.

- 44 -

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35 36

37

38

39

40

41

42

43

44

- (ii) The proportion that the distribution base monies collected during the calendar month in each county under this article, section 42-5164, subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409 bear to the total distribution base monies collected under this article, section 42-5164, subsection B, section 42-5205, subsection B and sections 42-5353 and 42-5409 throughout the state for the calendar month.
- (b) If the proportion computed under subdivision (a) of this paragraph for any county is greater than the proportion computed under paragraph 2 of this subsection, the department shall compute the difference between the amount distributed to that county under paragraph 2 of this subsection and the amount that would have been distributed under paragraph 2 of this subsection using the proportion computed under subdivision (a) of this paragraph and shall pay that difference to the county from the amount available for distribution under this paragraph. Any monies remaining after all payments under this subdivision shall be distributed among the counties according to the proportions computed under paragraph 2 of this subsection.
- 4. After any distributions required by sections 42-5030.01, 42-5031, 42-5032, AND 42-5032.01 and 42-5032.02, and after making any transfer to the water quality assurance revolving fund as required by section 49-282, subsection B, credit the remainder of the monies designated as distribution base to the state general fund. From this amount:
  - (a) The legislature shall annually appropriate to:
- (i) The department of revenue sufficient monies to administer and enforce this article and articles 5, 8 and 9 of this chapter.
- (ii) The department of economic security monies to be used for the purposes stated in title 46, chapter 1.
- (iii) The Arizona arts endowment fund established by section 41-986, the full amount by which revenues derived from the amusement classification pursuant to section 42-5073 for the current fiscal year exceed the revenues that were derived from that classification in fiscal year 1993–1994, except that this amount shall not exceed two million dollars through fiscal year 2008-2009.
- The firearms safety and ranges fund established by section (iv) 17-273, fifty thousand dollars derived from the taxes collected from the retail classification pursuant to section 42-5061 for the current fiscal year.
- (b) The state treasurer shall transfer to the tourism fund an amount equal to the sum of the following:
- (i) Three and one-half per cent of the gross revenues derived from the transient lodging classification pursuant to section 42-5070 during the preceding fiscal year.
- (ii) Three per cent of the gross revenues derived from the amusement classification pursuant to section 42-5073 during the preceding fiscal year.
- (iii) Two per cent of the gross revenues derived from the restaurant .45 de classification pursuant to section 42-5074 during the preceding fiscal year.

- 45 -

2

3

4

5

6 7

8

9

10

11

12

13

14

15

16

17

18

19

20 21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41 42

43

44

- E. If approved by the qualified electors voting at a statewide general election, all monies collected pursuant to section 42-5010, subsection G and section 42-5155, subsection D shall be distributed each fiscal year pursuant to this subsection. The monies distributed pursuant to this subsection are in addition to any other appropriation, transfer or other allocation of public or private monies from any other source and shall not supplant, replace or cause a reduction in other school district, charter school, university or community college funding sources. The monies shall be distributed as follows:
- If there are outstanding state school facilities revenue bonds pursuant to title 15, chapter 16, article 7, each month one-twelfth of the amount that is necessary to pay the fiscal year's debt service on outstanding state school improvement revenue bonds for the current fiscal year shall be transferred each month to the school improvement revenue bond debt service fund established by section 15-2084. The total amount of bonds for which these monies may be allocated for the payment of debt service shall not exceed a principal amount of eight hundred million dollars exclusive of refunding bonds and other refinancing obligations.
- 2. After any transfer of monies pursuant to paragraph 1 of this subsection, twelve per cent of the remaining monies collected during the preceding month shall be transferred to the technology and research initiative fund established by section 15–1648 to be distributed among the universities for the purpose of investment in technology and research-based initiatives.
- After the transfer of monies pursuant to paragraph 1 of this 3. subsection, three per cent of the remaining monies collected during the preceding month shall be transferred to the workforce development account established in each community college district pursuant to section 15-1472 for the purpose of investment in workforce development programs.
- 4. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, one-twelfth of the amount a community college that is owned. operated or chartered by a qualifying Indian tribe on its own Indian reservation would receive pursuant to section 15-1472, subsection D, paragraph 2 if it were a community college district under the jurisdiction of the state board of directors for community colleges shall be distributed each month to the treasurer or other designated depository of a qualifying Monies distributed pursuant to this paragraph are for the Indian tribe. exclusive purpose of providing support to one or more community colleges owned, operated or chartered by a qualifying Indian tribe and shall be used in a manner consistent with section 15–1472, subsection B. For purposes of this paragraph, "qualifying Indian tribe" has the same meaning as defined in section 42-5031.01, subsection D.
- 5. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, one-twelfth of the following amounts shall be transferred each 45 month to the department of education for the increased cost of basic state

- 46 -

aid under section 15-971 due to added school days and associated teacher salary increases enacted in 2000:

- (a) In fiscal year 2001-2002, \$15,305,900.
- (b) In fiscal year 2002-2003, \$31,530,100.
- (c) In fiscal year 2003-2004, \$48,727,700.
- (d) In fiscal year 2004-2005, \$66,957,200.
- (e) In fiscal year 2005-2006 and each fiscal year thereafter, \$86,280,500.
- 6. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, seven million eight hundred thousand dollars is appropriated each fiscal year, to be paid in monthly installments, to the department of education to be used for school safety as provided in section 15-154 and two hundred thousand dollars is appropriated each fiscal year, to be paid in monthly installments to the department of education to be used for the character education matching grant program as provided in section 15-154.01.
- 7. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, no more than seven million dollars may be appropriated by the legislature each fiscal year to the department of education to be used for accountability purposes as described in section 15-241 and title 15, chapter 9, article 8.
- 8. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, one million five hundred thousand dollars is appropriated each fiscal year, to be paid in monthly installments, to the failing schools tutoring fund established by section 15-241.
- 9. After transferring monies pursuant to paragraphs 1, 2 and 3 of this subsection, twenty-five million dollars shall be transferred each fiscal year to the state general fund to reimburse the general fund for the cost of the income tax credit allowed by section 43-1072.01.
- 10. After the payment of monies pursuant to paragraphs 1 through 9 of this subsection, the remaining monies collected during the preceding month shall be transferred to the classroom site fund established by section 15-977. The monies shall be allocated as follows in the manner prescribed by section 15-977:
- (a) Forty per cent shall be allocated for teacher compensation based on performance.
- (b) Twenty per cent shall be allocated for increases in teacher base compensation and employee related expenses.
- (c) Forty per cent shall be allocated for maintenance and operation purposes.
- F. The department shall credit the remainder of the monies in the transaction privilege and severance tax clearing account to the state general fund, subject to any distribution required by section 42-5030.01.
- G. Notwithstanding subsection D of this section, if a court of competent jurisdiction finally determines that tax monies distributed under this section were illegally collected under this article or articles 5, 8 and 9 of this chapter and orders the monies to be refunded to the taxpayer, the

- 47 -

department shall compute the amount of such monies that was distributed to each city, town and county under this section. The department shall notify the state treasurer of that amount plus the proportionate share of additional allocated costs required to be paid to the taxpayer. Each city's, town's and county's proportionate share of the costs shall be based on the amount of the original tax payment each municipality and county received. Each month the state treasurer shall reduce the amount otherwise distributable to the city, town and county under this section by one thirty-sixth of the total amount to be recovered from the city, town or county until the total amount has been recovered, but the monthly reduction for any city, town or county shall not exceed ten per cent of the full monthly distribution to that entity. The reduction shall begin for the first calendar month after the final disposition of the case and shall continue until the total amount, including interest and costs, has been recovered.

- H. On receiving a certificate of default from the greater Arizona development authority pursuant to section 41-1554.06 or 41-1554.07 and to the extent not otherwise expressly prohibited by law, the state treasurer shall withhold from the next succeeding distribution of monies pursuant to this section due to the defaulting political subdivision the amount specified in the certificate of default and immediately deposit the amount withheld in the greater Arizona development authority revolving fund. The state treasurer shall continue to withhold and deposit the monies until the greater Arizona development authority certifies to the state treasurer that the default has been cured. In no event may the state treasurer withhold any amount that the defaulting political subdivision certifies to the state treasurer and the authority as being necessary to make any required deposits then due for the payment of principal and interest on bonds of the political subdivision that were issued before the date of the loan repayment agreement or bonds and that have been secured by a pledge of distributions made pursuant to this section.
- I. FOR THE PURPOSES OF THIS SECTION, "COMMUNITY COLLEGE DISTRICT" MEANS A COMMUNITY COLLEGE DISTRICT ESTABLISHED PURSUANT TO SECTIONS 15-1402 AND 15-1403 THAT IS A POLITICAL SUBDIVISION OF THIS STATE.
  - Sec. 46. Section 49-550, Arizona Revised Statutes, is amended to read: 49-550. Violation: classification: civil penalty
- A. Except as provided in subsection B of this section, any person who violates any provision of this article or any rule of the director adopted under this article is guilty of a class 2 misdemeanor.
- B. Any person who makes or issues any imitation or counterfeit of an official certificate or certificates of inspection or waiver is guilty of a class 5 felony.
- C. Any person who knowingly demands or collects a fee for the inspection of a vehicle other than the fee fixed by the director for the inspection of vehicles of the same class is guilty of a class 2 misdemeanor.
- D. Any person who makes or provides to the director the written statement required to obtain a certificate of waiver pursuant to section

- 48 -

5

49-542, subsection L, knowing the statement to be false, is guilty of a class 2 misdemeanor.

- E. In addition to any other criminal penalty provided by law, a person who owns a vehicle and whose residence is located outside of area A or area B but who commutes in that vehicle to the driver's principal place of employment located within area A or area B without complying with this article or who violates section 15-1444, subsection 6—D or section 15-1627 is subject to a civil penalty of one hundred dollars for a first violation of this subsection. For a second violation of this subsection within a one year period, a court shall impose a civil penalty of three hundred dollars. A court shall impose a civil penalty of twenty-five dollars for a first time violation of this subsection if the owner presents evidence that the vehicle is in compliance with this article.
- F. In addition to any other criminal penalty provided by law, any dealer who is licensed to sell motor vehicles pursuant to title 28, chapter 10, whose place of business is located in area A or area B and who delivers a vehicle that does not conform with this section is subject to a civil penalty of one thousand dollars for a first violation of this subsection. For the second violation of this subsection within a one year period, a court shall impose a civil penalty of two thousand dollars and a suspension of the dealer's license for a period of ninety days.

# Sec. 47. <u>Joint legislative study committee on community college</u> <u>oversight</u>

- A. The joint legislative study committee on community college oversight is established consisting of:
- 1. The chairman of the house of representatives education committee, who shall cochair the committee.
- 2. The chairman of the senate education committee, who shall cochair the committee.
- 3. Two members of the house of representatives, one of whom shall be a member of the minority party, who are appointed by the speaker of the house of representatives.
- 4. Two members of the senate, one of whom shall be a member of the minority party, who are appointed by the president of the senate.
- 5. One member who represents a community college district with a population of three hundred thousand or more persons and who is appointed by the speaker of the house of representatives.
- 6. One member who represents a community college district with a population of less than three hundred thousand persons and who is appointed by the president of the senate.
- 7. A chief financial officer of a community college district and who is appointed by the governor.
- 8. One member who represents a statewide tax research association and who is appointed by the president of the senate.

- 49 -

11:

9. One member who is a taxpayer from a county with a population of three hundred thousand or more persons and who is appointed by the speaker of the house of representatives.

CD5 - 4

- 10. One member who is a taxpayer from a county with a population of less than three hundred thousand persons and who is appointed by the president of the senate.
- 11. One member who is a full-time faculty member from a community college district, who oversees a dual enrollment program and who is appointed by the speaker of the house of representatives.
- 12. One governing board member who serves as an elected member of a community college district with a population of less than three hundred thousand persons and who is appointed by the speaker of the house of representatives.
- 13. One member who represents the university system, who has experience or expertise with community college to university course articulation and who is appointed by the governor.
- 14. A superintendent of a school district that offers occupational and dual enrollment courses and who is appointed by the president of the senate.
- B. The public members who are appointed are not eligible to receive compensation but are eligible for reimbursement of expenses pursuant to title 38, chapter 4, article 2, Arizona Revised Statutes.
- C. The joint legislative budget committee and the legislature shall provide staff, administrative and technical support to the study committee.
  - D. The study committee shall:
- 1. Review current state funding for college operations, capital and equalization concerning funding for college courses, including those offered for dual and concurrent enrollment and credit and noncredit.
- 2. Submit a final report to the governor, the speaker of the house of representatives, the president of the senate, the department of education and the Arizona board of regents by December 15, 2003 with administrative or statutory recommendations regarding community college oversight in this state. A copy of the final report shall be provided to the secretary of state and the director of the Arizona state library, archives and public records.

## Sec. 48. Delayed repeal

Section 47 of this act, relating to the joint legislative study committee on community college oversight, is repealed from and after December 31, 2003.

# Sec. 49. Requirements for enactment; three-fourths vote

Pursuant to article IV, part 1, section 1, subsection (6), Constitution of Arizona, section 42-5029, Arizona Revised Statutes, as amended by this act, is effective only on the affirmative vote of at least three-fourths of the members of each house of the legislature.

Sec. 50. Retroactivity

This act is effective retroactively to from and after June 30, 2003. APPROVED BY THE GOVERNOR MAY 26, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 27, 2003.

	7 hana 18 02
Passed the House April 14, 2003,	Passed the Senate 7000000000000000000000000000000000000
by the following vote: 35 Ayes,	Passed the Senate <u>Pebruary 18</u> , 2003, by the following vote: Ayes,
ONot Voting	Nays, Not Voting
Speaker, of the House fro Tempore  Mornan J. Moore	President of the Senate
Chief Clerk of the House	Secretary of the Senate
EXECUTIVE DEPART OFFICE OF C This Bill was received	GOVERNOR
day of	, 20,
at	o'clockM.
Se	ecretary to the Governor
Approved this day of	
ato'clockM.	
Governor of Arizona	
	EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE
	This Bill was received by the Secretary of State
S.B. 1105	this, 20,
	ato'clockM.

Secretary of State

HOUSE FINAL PASSAGE	SENATE FINAL PASSAGE
as per Joint Conference	as per Joint Conference
Passed the House	Passed the Senate May 15, 2003
by the following vote:55 Ayes,	by the following vote:Ayes,
Nays, 5 Not Voting  With article IV, Part Lection I, on Section 45  Speaker of the House  Chief Clerk of the House	Nays, 3 Not Voting  With Act V, pt.1, sec.1 fn. sec.45  President of the Senate  Secretary of the Senate
,	<b>\</b> '
	PARTMENT OF ARIZONA E OF GOVERNOR
this _20 day of	or clock M.  y to the Governor
Approved this day of	
My ,2003, at	· ·
Governor of Krizona	EXECUTIVE DEPARTMENT OF ARIZONA OFFICE OF SECRETARY OF STATE
S.B. 1105	this